A New Money-Making Column for Investors (Page 4)

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Largest Circulation of Any Canadian Financial Paper

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 5, 1935 | 10c a Copy; $5.00 a Year | No. 40

The Nation's Business

Sound Finance and Recovery

The Big Issue — Even If It Is Overlooked

A Banker Speaks

Sets Example That Should Be Taken Up More Widely

The Main Issue In Canada

AMBITIOUS politicians from coast to coast have introduced into the election scores—yea, hundreds of "issues." But they all pale into insignificance beside one major national issue which some day all of these politicians and every citizen will have to face squarely.

That problem is sound finance.

Our ultimate objectives are Social Justice and Security. The only road that leads to them is the one that has Recovery as its first milestone. There is no short cut and there is no round-about route.

We can not have Recovery, and therefore we can not have Social Justice, without Sound Finance.

* * *

IT WOULD shock most Canadians to hear an opinion on Canada's present position from any average investor in England. He would learn that Canada's credit does not stand high in the money markets of the world. It stands low, and very low indeed. Mr. McGeer's threats of repudiation, Mr. Hepburn's dishonest power contract cancellation legislation, Mr. Aberhart's sweeping victory on a platform built of bubbles, Mr. Bennett's sudden shift to Socialism and his erratic policies on wheat and debt conversion have been the immediate factors causing loss of confidence in Canada. But they have merely served to make outside investors realize that they have been uncomfortable about their Canadian investments for a long time; that Canada, almost alone among the British nations, has refused to put its national financial house in order.

Britain has been enjoying improving business and some of the benefit has slopped over into Canada. Trade has been on the upgrade in the United States and this too has helped us. We have benefitted from some fortuitious circumstances in other directions. And, of course, our national policies have not all been wholly bad; some have been thoroughly sound. But we have left the job of preparing the way to Recovery more than half unfinished. We have left our most important flank—that of public finance—unprotected.

* * *

WE CAN not have Recovery on an unbalanced budget and rising governmental expenditures. We can not have a balanced budget without stopping up the wastes, and the chief one is on our railways. How absurd it is for us to be content with paying out $45 per family every year to keep alive, as a political pet, a railway problem that is far from insoluble.

We blame Relief for our financial difficulties. The Relief burden would be bearable—and would diminish—if we cut out Waste.

We can not have Recovery so long as our provinces and our municipalities flounder rudderless in a heavy sea swelling dangerously over the shoals of bankruptcy and default.

We can not have Recovery without greater Confidence than is now justified in the security of investments in Canada, new investments as well as old.

We are not a spineless, wretched race of people, less proud of our standing among the nations than Australia or Britain, which faced similar problems and set out to solve them with remarkably favorable consequences to every plain man and woman citizen.

Why then don't we set to the task? Probably the chief reason is that our political leaders still either do not see the need for action or are afraid to take a stand for Sound Finance, as though it were something repulsive to the public consciousness.

* * *

MR. KING has a plank in his platform calling for a balanced budget. Give him credit for that. But it is apparently a minor plank for he hardly mentions it in his addresses. He spends more time assuring the people that the direction of Canada's central bank should become a political affair.

Mr. Bennett has shown superhuman personal courage in this election. But he is the sturdy individualist trying to wear the cloak of Socialism and it fits badly. He must carry through with his rôle and so he borrows the radical's favorite insult, "St. James Street," to fling at Mr. Dunning. This minor incident is one of many evidences of the direction in which Mr. Bennett is mov-

(Continued on page 2, col. 3)

Can Bondholders Sue In Beauharnois Deal?

Tabloids Say Yes but Lawyers and Large Holders Doubtful

Where do holders of $38.2 millions of 5½ per cent first mortgage bonds of Beauharnois Light, Heat & Power Co. stand? Now that Hydro-Electric Power Commission of Ontario has definitely refused to accept part of the 196,000 h.p. which under contract was to have been delivered October 1, 1935, the position of the bondholder again comes to the fore.

Payment on the due date, November 20, may be forthcoming for the 129,000 h.p. accepted a year earlier but will not be forthcoming for anything above that amount and the company will notify the Commission that payment for less than 196,000 h.p. is regarded by it as part payment. That is what MacLaren Power did, and it is the way all the Quebec power companies will maintain their legal rights until the inevitable locking of horns.

Where will these bondholders stand if the Ontario Government not only refuses 67,000 h.p. extra but has the Act proclaimed, declaring the whole contract null and void and unenforceable? Interest could probably be maintained on the 1st mortgage bonds so long as present payments are continued but it is almost certain that the Government will throw the whole contract into the scrap-heap and only be willing to rewrite another one on the basis of present necessities for power and a reasonable expectation for the future. A condition of renewal on any basis will probably be that the Commission be charged rates less than $15 per horsepower as well. Until that time comes, no one can say just what can be paid on the bonds. It is 25 cycle h.p., and no other takers of power are in sight than the Ontario Hydro-Electric Commission. Present contract with Montreal Power is not enough to carry the bonds.

Can Bondholders Recover?

Supposing, as many expect, that the bond interest cannot then be paid, does that mean bankruptcy for the company with the bondholders taking charge? Certain tabloid newspapers are urging bondholders not to wait for such an eventuality but to proceed for the return of their money against the large and important investment dealers that sold the bonds. They state that this is a first mortgage bond issue secured by a trust deed which constitutes among other things a first fixed and specific charge on all the real and immoveable properties and rights of the company as well as a first floating charge on the undertaking. They refer to a statement in the prospectus on which these bonds were sold that the law firm of Messrs. Meredith, Holden, Heward & Holden expressed the opinion that the titles of the company to the properties and rights owned by it are satisfactory "except for certain imperfections of title which they state can be and are now in the process of being remedied and except for certain other imperfections of title which in their opinion are only of minor importance."

Denied by Mr. Sweezey

One tabloid suggests that if these imperfections have not been remedied the bondholders can claim $95.50, the issue price, from the investment dealer selling the issue. Another says that title is also endangered by a suit of Transportation & Power against R. O. Sweezey with the company and various investment bankers named. Transportation & Power claims that Mr. Sweezey was acting as its agent when he purchased control of Beauharnois Light, Heat & Power Co. This has been denied by Mr. Sweezey and suits on this score have been hanging fire for years.

The Financial Post has enquired from several large institutional buyers of these bonds whether or not they had looked into this question of imperfection of titles. They do not agree with the tabloids. In every case they stated that they had relied on the expressions of opinions as to title given by Messrs. Meredith, Holden, Heward & Holden and by Aime Geoffrion, K.C. They had studied these documents and had been satisfied that titles were satisfactory. Of the $38.2 millions of these bonds outstanding the public holds about $26 millions and about $12.2 millions by the Montreal Light, Heat & Power Co., the Quebec Government and the banks, all of whom were apparently satisfied.

Imperfections Being Adjusted

The Financial Post has also read the opinions with regard to titles just to see what the imperfections are. Many of them are insignificant and had to be ignored if an enterprise as large as this was ever to get started. Others were not insignificant but the method of disposal was agreed upon in writing with parties concerned and therefore should be capable of ultimate settlement without difficulty. Certain imperfections referred to at the time of the issue of the bonds have been disposed of.

As to the Court actions of Transportation & Power Ltd., courts will decide these. The Financial Post is seeking information on the issues involved and, without trying to express an opinion on the matters before the Court, hopes to state in an early issue if the actions affect the validity of the bonds. The company and various principals involved in the issue of the bonds apparently believe that this is an action which does not involve the security of the bondholders. Until the Court decides in any case, this is not a matter on which a bondholder could base an action for return of funds. If that were so it would be possible to tie up any undertaking even by a frivolous suit.

Canada and War

Politicians Would Again Involve Us in War of No Interest to Us

By J. B. MACLEAN

The politicians are again seeking to gain some party advantage by talking for and against Canada taking part in a war in which we have no possible direct interest.

Highbrow advocates of the international debating society known as the League of Nations are insisting, without making any investigation whatever, that Canada should at once assure the war advocates in England that Canadians are always with them, right or wrong. Have they tried to picture the sufferings, the sorrows that would come to so many Canadian homes directly and indirectly, the greatly increased and wasteful taxation that would affect every Canadian, especially the less prosperous?

It might be well for Canadians to list now those politicians, newspapers and League of Nations theorists who are demanding our participation. In case some politician draws us into an unnecessary war to aid his friends, let us see how many of those who have been encouraging war will insist on going into the front line trenches themselves.

Near War in Near East

Once more the refusal of Prime Minister Mackenzie King to commit Canada in 1922 to a British Empire war to drive the Turks out of Europe and "save our civilization" is being brought against him in the present national election campaign.

Nominally, that war was to save Christianity but actually it was to save that wealthy, prominent and powerful titled politician, the British narcotic king, with his sources of supplies in the Turkish and Indian poppy fields threatened by the wise, progressive, highly moral policies of the Turkish leader, Kemal Pasha.

Thus are wars made.

A "Foolish" War

That scheme drove Lloyd George out of the premiership and public life, and Canada was credited by British leaders with having saved the Empire from another serious conflict. Asquith gave Canada the credit. Later Bonar Law, who succeeded Lloyd George in the premiership immediately after this incident, supported Canada by describing such a war "as being as foolish as it was wrong."

In Canada, Mr. King's great political opponent, Rt. Hon. Mr. Meighen, not so well informed, disagreed with Mr. King and insisted that Canada's answer to British calls should always be: "Ready, aye ready," without regard to our own interests.

Discussed in Parliament

The article in The Financial Post and another in Maclean's Magazine came into political discussions on the platform on a number of occasions in the succeeding years. In Parliament there were a number of debates, particularly in 1923, 1924 and 1928.

In Feb., 1923, Mr. Raymond, speaking in the House said, "But let it be known to those who are ambitious to prosecute certain policies in certain parts of the world in which we are not interested that we are not going to spend either blood or money to further their designs."

Answer Sought by Cable

On June 9, 1924, Hon. Mr. Lapointe, Minister of Justice, during a debate said: "I have in my hand a copy of Maclean's Magazine, and surely nobody will accuse Maclean's Magazine

(Continued on page 20)

Construction Up Over Sept. 1934

Construction contracts awarded in September showed a marked decline from the previous month, but are still considerably above the same month last year. New building contracts declined but slightly, most of the loss being in other lines, including engineering.

Monthly		September	— Change — From Prev. Period %	From Prev. Year %
Construction cont.		$14,743,100	—38	+18
Employment (Sept. 1)		102.7	+ 2	+ 4
		August		
Retail sales	index	64.0	+ 2	+ 1
Pass. car prod.	No.	5,524	—42	—25
Weekly				
Car loadings	No.	56,018	+ 3	+ 9
Cattle sales	No.	23,755	—17	+42
Hog sales	No.	10,112	—20	—20

Additional figures will be found on page seven.

OTTAWA SEES SMALL CHANCE LIBERAL SWEEP

Bennett Aggressiveness and Stevens Entry Major Factors

C. C. F. ECLIPSE?

Last Minute Push of Dunning and Other Liberal Stalwarts May Give King Small Majority

From Our Own Correspondent

OTTAWA.—While anything approaching a final forecast of the results of polling on October 14 has yet to be attempted by any unbiased observer of the election campaign, important trends are clearly in evidence. The ever accelerating activities at the various national headquarters here indicate more clearly than official pronouncements the attitude of the rival general staffs.

No Landslide

It is perhaps trite, at this stage of the campaign, to point out that the much heralded Liberal landslide has failed to materialize. As the election day nears, the campaign is becoming more embittered and the outcome more obscure. Leaders and organizers have so far abstained from issuing anything in the nature of election bulletins — a practice which featured the 1930 Conservative campaign.

Piecing together information from those in the councils of the various parties, together with the views of competent observers, tends, clearly, to show that the Liberal party is in grave peril of failing to elect the majority of members in the House of Commons of which, it is generally believed they would have been assured by a July or August election.

That the Liberals will have the largest group, however, is not disputed in any quarter (except for campaigning purposes) and any swing of opinion in their direction would certainly bridge the gap between say 115 and 130 seats. Original hopes of a Liberal strength running to 150 or 160 members have quite disappeared. But anything from 130 members up would enable a government to be formed which could hold office for the normal life of a Parliament.

Lose to Reconstructionists

The Liberal failure to "cash in" on the pre-campaign prospects is attributed to various causes. The chief of them, however, appears to be that the entrance of the Reconstruction party offered a new and highly attractive outlet for the anti-government vote and instead of having a walk-over, the Liberal party has suddenly found itself up against one of the hardest fights in our political history.

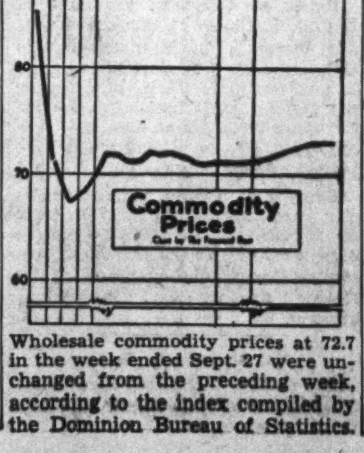
Realization of this fact appears to have come to Rt. Hon. W. L. M. King belatedly although it would seem clear that the national Liberal organization and the candidates realized it a month ago. Whether Mr. King, now thoroughly alarmed after his long sustained over-confidence can yet restore the morale of his candidates remains to be seen. A drastic pepping up of Mr. King's campaign in its final stages and further urgent calls upon such outstanding Liberals as Hon. Charles A. Dunning are to be expected.

It is being said of the Liberal leader, however, that if he had realized the true situation in the country earlier and called his former minister of finance to his side in August rather than in the closing days of September, the situation today would have been much more favorable.

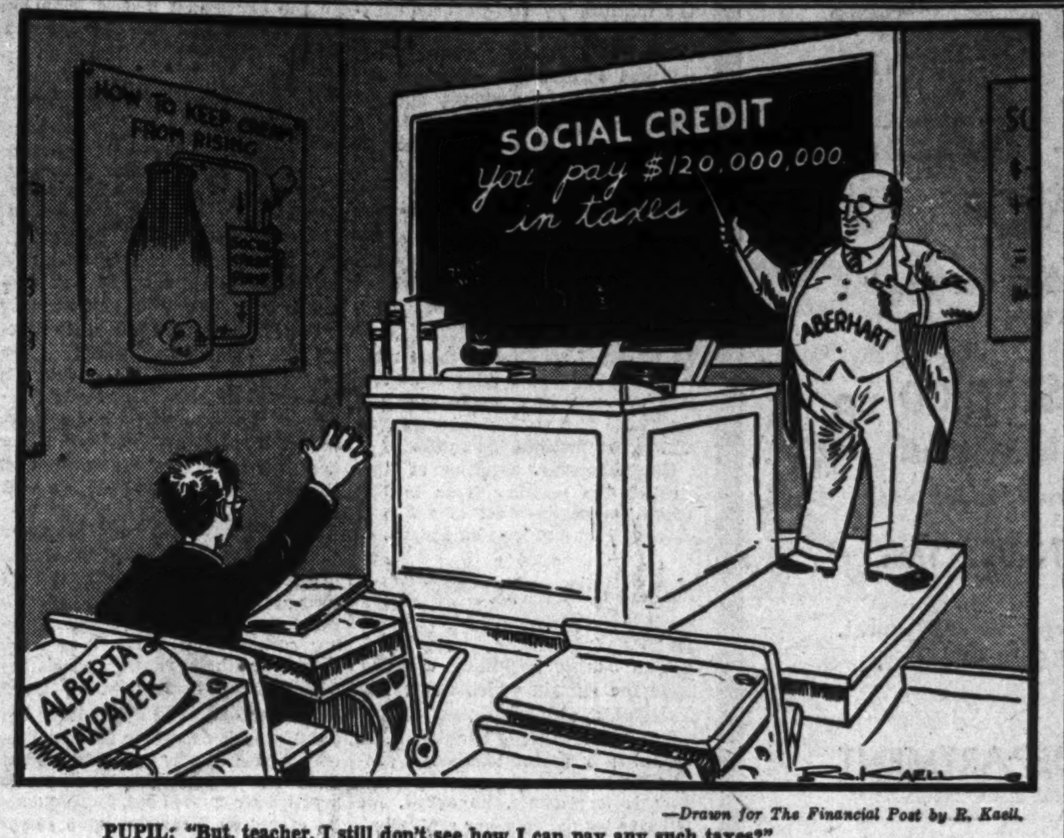
Bennett Comeback

But while the rise of the Stevens party has been the chief cause of the anxiety now apparent in Liberal quarters, there have been other factors also. To begin with Conservative claims as to the power and effectiveness of Mr. Bennett's campaign to date are not disputed by opposing camps. Mr. Bennett has done much more than make the best of a bad job; in one of the most effective individual campaigns on record he appears to be successfully saving the Conservative party from what promised to be virtual annihilation. Wherever he has gone, so far, he has commanded the respect of the electorate and has put new courage into the hearts of his followers. He has transformed a beaten party into a fighting party and all estimates of Conservative strength in the new Commons have had to be revised upwards as his campaign has developed. A month ago, many ob-

(Continued on page 2 col. 6)



Wholesale commodity prices at 72.7 in the week ended Sept. 27 were unchanged from the preceding week, according to the index compiled by the Dominion Bureau of Statistics.



—Drawn for The Financial Post by R. Kaell.

PUPIL: "But, teacher, I still don't see how I can pay any such taxes?"
TEACHER: "Very simple. I give you the money and then you give it back to me."

BANK STOCK VALUES DOWN 23 PER CENT

Yield Over 6% on Four of Eight Listed Bank Stocks

LACK OF CONFIDENCE

From Our Own Correspondent

MONTREAL.—Holders of Canadian bank stocks have become increasingly perturbed over the trend of market values in recent months.

In the early part of the year, market value of the stocks of eight of the leading Canadian chartered banks was $273.6 millions. On September 30 these same stocks had a value of only $210.8 millions, a drop of nearly 23 per cent.

Disregarding the abnormal market situation created when Great Britain went off the gold standard in 1931, prevailing bank stocks values, with one or two exceptions, are lower than they have ever been since the turn of the century.

The situation is made even more unusual by the fact that the stock of the Canadian Bank of Commerce —the third largest of the chartered banks—is selling at 123, or lower than that of any other actively traded bank stock.

Sharp Drop Lately

A clear conception of the very marked drop in the value of bank stocks is seen in the record of the past month as set forth in the following table:

Date	Can. Nat.	Comm.	Dom.	Imp.
Sept. 30	130	123	149	159
Sept. 23	128	130	150	167
Sept. 16	127	133	155	169
Sept. 9	127	132½	160	170
Aug. 31	127	140	165	175

Date	Mont.	N. S.	Royal	Toronto
Sept. 30	154	248	134	187
Sept. 23	157	246	139½	194
Sept. 16	166	252	139½	199
Sept. 9	171	251	140	199
Aug. 31	179	251	142	200

Yields Above 6 Per Cent

Weakness of bank shares has brought current yields above six per cent for shares of four of the eight chartered banks whose shares are listed on Canadian exchanges. While bank earnings have been in a declining trend for several years, bankers hope that the rise of loans in August, reported on page 11, indicates a turn toward increasing revenues. High yields available to buyers of bank shares are indicative of the view that current dividend rates are not certain to be maintained next year in all cases. It is expected, however, that most of the banks, if not all of them, will continue current rates for at least the remainder of 1935.

Declarations Soon

Dividend payments for the remainder of 1935 will be decided within the next five weeks. Already Imperial Bank of Canada has declared the final payment of $2.50 a share for 1935. Bank of Toronto and The Royal Bank of Canada are expected to make the regular declarations for Dec. 1 payments about Oct. 10. A week later, Bank of Montreal

(Continued on page 2, col. 3)

Page-Hersey Tubes Dickers With Workers

Entire plant of Page-Hersey Tubes, Ltd., at Welland, Ont., has been shut down for a week because of a strike of lower paid workers for a 25 per cent increase in pay. They have been offered a 10 per cent increase and a 45-hour week but as The Financial Post goes to press a final adjustment has not yet been made.

The company is able to take care of sales from other plants but would like to have its largest and most modern plant in full operation. Probably 70 per cent of the workers are involved in the price increase offer. The skilled workers have been getting higher wages and an average of wages paid in the whole plant would be about 43 cents an hour. The lowest wage would be 30 cents an hour.

Highlights

Link With the East

Levon Babayan, Canada's link with Oriental rug industry, celebrates 40 years in business. Tells story of life. Page 13

Peat

European engineer explains peat situation in Dominion and discusses possibilities. Page 8

New Homes

New experiment in house building. Steel, cork and concrete are chief ingredients. First unit under construction at Hamilton. Page 20

Base Metals Hit Stride

Depression has lifted for Canada's base metal producers. Striking increase in earnings forecast as a result of price jump in lead, zinc and copper. Page 22

Non-callables

Redemption of esteemed bonds and preferred stocks increases interest in non-callable preferred stocks. Eleven analyzed. Page 3

Crosses the Bar

Imperial Oil S.S. Talaralite breaks into marine history as first ocean steamship entering Magdalena River, Colombia. Page 19

Fire Prevention Issue

Canada's fires have cost more than 6000 lives and $610 millions in the last 15 years. Fire Prevention Week directs attention to this problem. Pages 15-17

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COUNTING ON PRICE SOAR FOR BUTTER

Government Bonussed Export of 10 Million Pounds Arouses Hopes

FEAR PROTEST

From Our Own Correspondent

OTTAWA.—As the new Butter Marketing Board gets busy with its programme of bonussed exports of 10 million pounds, soaring Canadian butter prices this winter are mooted. There is some anxiety among Board officials that the complete quota of exports to Great Britain will not be secured by mid-November as originally hoped.

See Prices Soar Here

With over 50 million pounds of butter in storage, the difficult part of the policy turns upon obtaining the full planned quota for export. Butter owners appear to believe that lifting of 10 million pounds will send prices soaring in Canada this winter. They desire this but they would prefer to hold on to their butter and cash in on the rising market later on. The immediate job of the Butter Board, really, is to convince the trade that they can not eat their cake and have it too.

To date one tenth of the export quota or one million pounds are assured. The bonus to exporters will not exceed 1½ cents per lb. In seeking the co-operation of butter owners, the Board has met with a ready response from some of the larger companies. For example, it is stated officially that Canada Packers has contributed upwards of 250,000 pounds, or more than 25 per cent of the butter so far ticketed for export under the scheme.

Fear British Reception

Although the effect of bonussed exports upon British opinion has been regarded with unmistakable anxiety it is learned that no complaints have yet reached Ottawa through official channels. Inasmuch as the full export movement will amount to but three days supply for the United Kingdom, officials here hope that the British dairy industry will not raise serious objections.

On the other hand, however, recent information on the British dairy situation would indicate strong opposition on the part of Old Country producers to increased imports. (See article on British Agriculture, page 6). The fact that Canada would be entering this market for practically the first time in years and with a bonussed shipment may arouse bitter protest especially when the Dominion quotas governing butter exports to Britain are almost expired.

Bay-Cumberland Pays Interest Due April 1, 1934

Bay-Cumberland Properties Ltd., Toronto, paid the 3¼ per cent coupon due April 1, 1934, on Oct. 1, 1935. Bondholders may present such coupons now.

The company is paying current operating accounts as they come due and May and July tax installments have been paid, according to Stewart Scully Co. The balance of 1935 taxes, it is stated, will be paid at an early date. While the building is well occupied, rents are reported still below the level necessary to make regular interest payments on the 6½ per cent bonds.

Toronto Building Values Advance $106,000 in Sept.

Toronto's building construction values advanced $106,000 during September over those for the same month last year. The figures fell $70,000 short of August of this year. Values for the year to date as indicated by building permit values totalled $7,284,352 as compared with $4,213,553 for the same period last year.

COURT ORDERS JUDICIAL SALE OF TERMINALS

But Canadian Rail and Harbour Terminals Not Yet on the Block

PROFITS UNCHANGED

Reorganization Plan of New Yorkers Dormant — Operations Continue Under Receiver

A court order authorizing sale of assets of Canadian Rail and Harbor Terminals Ltd., with the consent of the master in chambers, has been issued at Osgoode Hall, Toronto.

No immediate reorganization of the property by judicial sale is contemplated, The Financial Post is informed. The order, however, prepares the way for sale, if and when conditions are considered satisfactory. The court has not set any date for a sale, but has simply authorized one if it is considered advisable.

The company, which owns an eight-story terminal warehouse in Toronto, has been in the receivership of G. T. Clarkson, Toronto, since January, 1934. Interest on the $3,500,000 of first mortgage bonds was defaulted March 1, 1934.

Profits Level

Present operations are showing operating profits about the same as those for 1934, it is understood. Precise figures for all of 1934 have not been released, but earnings for the first nine months were slightly below those for the same period of 1933. For the full 1933 year, operating earnings were $157,000.

Deductions must be made from operating profits for taxes, receiver's fees, legal costs of receivership and depreciation. These charges absorb most of the operating earnings, which appear to be running at about $150,000 per annum now.

Two Committees

Two committees have been acting for first mortgage bondholders, one in New York and one in Toronto.

The New York committee proposed a reorganization about a year ago. The proposed scheme offered an interest to holders of junior securities. The Canadian committee expressed doubt of the "wisdom or the necessity" of including holders of junior securities in any reorganization.

Deposits of bonds were solicited by the American committee. The time limit for making deposits was originally Oct. 31, 1934, and was extended to Dec. 15, 1934. It does not seem to have been extended further. It is understood that the U.S. committee has about $500,000 of bonds on deposit. The plan of reorganization it proposed is dormant and appears to be expiring. Active steps to complete the proposed reorganization appear to have been dropped.

Canadian Committee

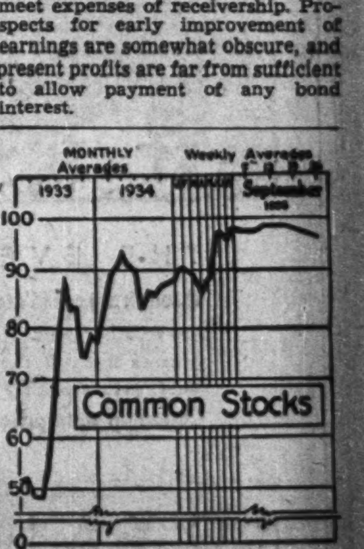
The Canadian committee is composed of Rt. Hon. Arthur Meighen, Sir Henry Drayton and R. V. LeSueur, vice-president of Imperial Oil Ltd. It has some $1,340,000 of bonds deposited with it. Ten months ago, the amount on deposit was about $1.1 millions. While no active steps are being taken to obtain deposits, the amount is increasing, The Post understands.

The Canadian committee feels that it will require deposit of more bonds before proposing any plan of reorganization. It is also felt that there is no immediate advantage of importance to be gained by interfering with management of the property under G. T. Clarkson. Active management is in the hands of Frank Kennedy, president of the company.

Operating Position

The Canadian bondholders' committee takes the view that as long as reorganization is not feasible the present management arrangement is satisfactory in that operating profits are being earned.

There is no prospect of any early payment on the first mortgage bonds. Present earnings are sufficient to cover taxes, to allow something for maintenance of the property, and to meet expenses of receivership. Prospects for early improvement of earnings are somewhat obscure, and present profits are far from sufficient to allow payment of any bond interest.



Common stocks declined sharply, according to the Dominion Bureau index for the week to Sept. 26. Exchange indices show a subsequent recovery followed by recession. Indices appear on page 4.

For Your Fall Vacation

BERMUDA - NASSAU JAMAICA

Cruises on Canadian National "Lady" Liners

25 DAYS - $160.00 up

Montreal Back to Montreal

(Includes Hotel Expenses in Jamaica)

SAILING OCTOBER 16th

Descriptive Folder Furnished on Request.
Also particulars of Other Cruises.

THE TRAVEL DEPARTMENT

(Sixth Floor, facing Georgian Room Elevators)

THE T. EATON CO LIMITED

At the Mines

Albany River Gold Mines — It is reported that this company in the Fort Hope area will do some drilling on its prospect in the near future.

* * *

Argosy Gold Mines — This company operating the former Casey-Summit Mines, has picked up ore which was faulted under earlier operations, and has clarified the situation somewhat. A winze is being sunk to open up two more levels before the 300-ft. horizon.

* * *

Garnet Gold Syndicate—Has been organized with a capitalization of 3,500 units, $10 par, to develop nine claims in Garnet Twp. in the Swayze field. Work during the last summer has revealed several vein showings warranting further development, officials believe.

* * *

J. M. Consolidated — Is starting a winze to open up a fourth level. The company is asking shareholders to authorize a change in capital structure to permit financing a power line and change over to the electrical operations together with increased development.

* * *

Kirkland Lake Gold Mining Co.—Directors of the company have declared an interim dividend of three cents per share payable Nov. 1, 1935, to shareholders of record Oct. 15. This is the second dividend Kirkland Lake has paid, the last one being for a like amount on Dec. 1, 1934.

* * *

Lebel Oro Mines — Following announcement of listing additional stock on the mining section of the Toronto Stock Exchange, as reported in The Post recently, this company has also listed an additional two million shares on the Montreal curb market.

* * *

Sol d'or Gold Mines — Has completed a mill with a crushing capacity of 35 tons daily. Development material from No. 3 vein is being run through, this unit being designed for testing purposes chiefly, although some revenue also will accrue.

* * *

Young-Shannon Gold Mines—This Sudbury property reports surface work has extended No. 20 vein another 80 feet, making a total length of 600 feet, averaging three feet four inches wide of well mineralized ore. No. 6 drill hole has not yet reached the main vein but two core sections, three feet each after eleminating free gold, assayed $4.55 per ton.

Riordon Pulp and Paper Calls Sinking Fund Bonds

From Our Own Correspondent

MONTREAL.—Riordon Pulp and Paper Co., subsidiary of Canadian International Paper, has drawn by lot $75,000 of its six per cent first mortgage bonds for redemption on October 31, 1935, for account of the sinking fund.

At the end of last year Riordon Paper had outstanding $635,800 of its first mortgage bonds. This compares with the original closed issue of $2.5 millions made in June, 1912.

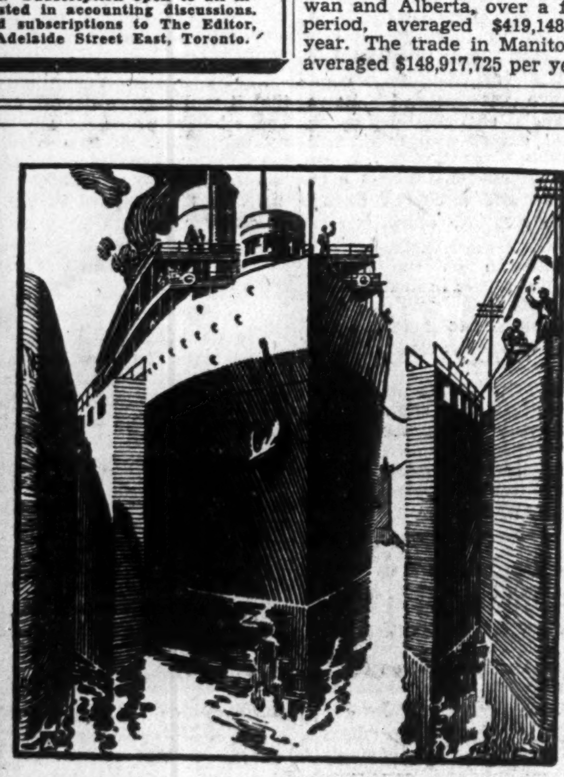
Retail Trade in West

The retail trade in the Prairie Provinces of Manitoba, Saskatchewan and Alberta, over a four-year period, averaged $419,148,250 per year. The trade in Manitoba alone averaged $148,917,725 per year.

FEATURES
in the October issue
THE CANADIAN CHARTERED ACCOUNTANT

Training and Education by President Smith of Manitoba University
Economic Problems of the Prairie Provinces (with discussion thereon)
Public Service in Stock Exchange Audits (with discussion thereon)
Appeals in Criminal Cases to the Privy Council
Comments on basic dividends and turnover tax

Published monthly, $2.00 per annum. Subscription open to all interested in accounting discussions. Send subscriptions to The Editor, 10 Adelaide Street East, Toronto.



THE EVEN KEEL

Through the canal's locks, the ship moves towards her port. The Royal Bank progresses through the various levels of business, steadily assisting sound Canadian enterprise to reach its goal.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

ing. He no longer seems concerned about the country's credit.

Mr. Stevens has but one theme—vilification of success. Mr. Woodsworth plays with dream castles of the perfect world that might be built "in vacuo." The Social Crediteers pour Inflation and Share-the-Wealth into the same bottle and call the mixture an End-Poverty cocktail.

Far-sighted and sagacious as our political leaders are in many respects they have, curiously enough, one blind spot in common. It is a blind spot that neither Philip Snowden, British Socialist, nor James A. Lyons, Australian Laborite, had. They fail to see that Sound Finance is the key to Recovery; that, in the words of a poster on the hoardings in Britain, "Sound Finance Always Pays."

* * *

READING the election chart is beyond any man. The undertow may prove to be stronger than the tides and the surface currents, so no one can forecast the result.

But whatever happens at this election the primary issue in National Prosperity—that of a Sound Finance—can not long be dodged.

* * *

Public Relations And The Banks

IS THE traditionally reserved Canadian banker beginning to draw aside the curtain which has veiled the conduct of his business?

One of our leading bankers, S. H. Logan, in a recent statement, presented figures on the cost of money. How is it possible, he asked, for banks to loan at four per cent, when deposit interest, wages and taxes bring costs to four and one half per cent? Such a statement is welcomed as a precedent which, it is hoped, will be followed up in greater detail.

Bankers have maintained a silence on the inner working of their profession far too long. This silence, in many instances, has been misinterpreted by those who see behind it some ulterior purpose which it is good policy to cover up. Definite statement of the facts of the position in which the banks find themselves would go far to refute much of the present anti-bank propaganda.

Our banks are good banks and they have a record of stewardship in the depression that is little less than remarkable. But does the public realize that?

* * *

IN THE same speech, Mr. Logan complained of:

> "These politicians going up and down the country talking money and credit, about which they know nothing and saying the banks won't lend money."

This is putting it a bit strongly. Vilification of the banks and proposals for many weird money schemes, coming from a host of sources, lend a measure of accuracy to the remark. But the criticism is too sweeping. Not all of our politicians are economically ignorant. And is it not largely because of the past indifference of the banks that Utopian money-planners have won public attentions?

Bankers have sat back for years considering themselves more or less assured of the support of a well informed public, conscious of the greatness and strength of our banking system. But while they have rested on their record the demagogues have been winning away public opinion. The banks have not considered it necessary to explain—except occasionally in a very modest way—why and how bank policy and practice are carried out. Consequently, monetary Messiahs have swept the country with their doctrines, directing their appeals chiefly to those who have been depression-hit, using the two weapons of abuse of what IS and promise of what could be, IF.

* * *

IN MOST of these new money theories there is at least a modicum of truth to start with. Usually it is twisted by the expounder to fit in with his particular gospel.

How is the public to distinguish good banking or money doctrines from bad ones? Our bankers have seldom explained what they deem to be right, in language which could be easily understood.

Banking is not so complicated that it cannot be presented for public consumption. Bankers have persisted in keeping it a mystery, however, and are now reaping a harvest of unpopular sentiment.

* * *

AT THE recent convention of the Financial Advertisers' Association in Atlantic City, much was said on the necessity for an educational campaign to convey to the public a realization of the constructive work of the banks. One speaker advocated a gigantic national advertising campaign "to sell America safe economics." In Canada, the first step must be for our bankers to study the function and methods of publicity.

An educational programme has not been without success in other fields; in life insurance, for instance, although the life companies still have a long road to travel in this regard. The average man is apt to regard his life insurance company as a beneficent agency. The same average man is tempted to regard his bank as a grasping institution making unjust profits at his expense.

* * *

HAVING left the field clear for the Aberharts, the Stevenses and the Irvines, the banks cannot now expect easily to find other politicians to fight their battles for them. It is strictly up to themselves to see that sufficient information is issued to the public in understandable form to refute or substantiate claims made against them. It is also up to the banks to see that the public can consider this information without monetary indigestion.

BANK STOCK VALUES DOWN 23 PER CENT

(Continued from page 1)

and The Canadian Bank of Commerce will make announcements of Dec. 1 payments.

In the last week of October, Banque Canadienne Nationale is due to announce its Dec. 1 dividend.

The Dominion Bank's and The Bank of Nova Scotia's next payments are due Jan. 1, and declarations can be expected in mid-November.

First decision on payments for 1936 will come about a week before Christmas from the Imperial Bank. The dividend due to be paid Feb. 1, 1936, will be from earnings in the 1935-36 fiscal year which opens Nov. 1.

Dates on which declarations of next dividends are due and yields are tabulated below:

Bank:	Price $	Dividend $	Yield %	Next declaration due
Dominion	146	10	6.85	Nov. 15
Commerce ...	122	8	6.56	Oct. 18
Imperial	158	10	6.33	Dec. 18
Can. Nat'le ..	130	8	6.15	Oct. 25
Royal	134½	8	5.95	Oct. 11
Toronto	185	10	5.41	Oct. 9
Montreal	153	8	5.23	Oct. 18
Nova Scotia .	248	12	4.84	Nov. 15

Creates Uneasiness

Fluctuations in value are to be expected, but the drop of nearly 23 per cent in the short space of four weeks has created a distinct undercurrent of uneasiness.

Examination of the sales on the Toronto and Montreal exchanges does not indicate any unusual amount of liquidation. The number of shares traded in this year is much the same as a year ago. But there is little or no bidding. A holder wishing to dispose of his bank stock has to offer it down until a bidder is secured, whereas a year ago there was the customary stable market for bank stocks.

What Does Market Foretell?

The market trend in recent weeks has been interpreted in investment circles as presaging a cut in dividends. While no confirmation can be secured, either officially or unofficially, on this point, it is the belief that the market is doing more than discounting a reduction in the disbursement to bank shareholders.

New Loan Plan Mooted

There are only two other known developments which would have any marked bearing on market values of bank stocks. First is the generally recognized decline in earning power of the banks and, secondly, the unfavorable political situation.

Decline in income from investments and the paucity of commercial loans with their relatively high return, have cut into earnings. Economies have helped the banks in part to offset their lower earning power, but net revenues do not do much more than cover dividends.

There is talk that the chartered banks are about to launch a new plan for the stimulation of loans for commercial, industrial and financial borrowers. Hitherto the banks have maintained a uniform rate of interest charges on loans. This rate applies on call loans, differing from other countries where the call loan commands a lower rate.

While no details can be secured, nor confirmation received, it is understood the banks are giving consideration to a sliding rate of interest charges on loans depending on the character of the loan, borrower, etc. In this way it may be possible to divert a larger share of the bank funds to time and call loans and reduce purchases of high grade government securities which yield a very small return.

Attacks on System

Probably the greatest influence in depressing the value of bank stocks is not the possibility of a cut in dividends or decline in earnings, but the decline or lack of public goodwill to the chartered banks. Continued attacks on the present banking and financial system in the last three years and more especially since the commencement of the present Federal election campaign, has not been conducive to building up confidence. The Reconstruction and C.C.F. parties have promised financial reforms, while the Liberal Party have promised to nationalize the Bank of Canada. New credit theories have been expounded on all sides, and while much of the pre-election talk can be discounted, the small holder of bank stocks is disturbed.

Should Assert Themselves

For varied reasons, the chartered banks have not defended themselves against attack. Their policy of allowing the past record of the banking system in this country to speak for itself has been criticized in some quarters, where it is believed that a militant attitude would be productive of more good than harm.

Tells C.P.R. Story

J. MURRAY GIBBON

Author of "Steel of Empire," a romantic history of Canadian railroad building and commercial development. For many years the Canadian Pacific Railway Company's chief of publicity, Mr. Gibbon writes his history from an inside observation post. The volume will be reviewed in a later issue of The Financial Post.

Air-conditioning Puzzle

Most people know there is a huge market for air-conditioning equipment on this continent but how can it best be tapped.

Last week, J. A. M. Galilee, assistant advertising manager, Canadian Westinghouse Co., visited the annual meeting of the National Industrial Advertisers Association where ad. men planned how best to spend $300,000 in a year to promote a new commercial air-conditioning device. A jury of three decided:

Business papers	33%
Direct mail	25%
Reference media	1%
Local test campaign in newspapers	2%
Motion pictures	5%
Exhibits	3%
Publicity	1%
House organ—External	5%
Do., Internal	1%
Administration	15%
Miscellaneous	9%
	100%

Lighting Campaign Late

A campaign to be sponsored by the Ontario Hydro-Electric Power Commission and participated in by manufacturers of electric lamps, fixtures, etc., is planned for this fall. Some promotional effort was done on it at the Canadian National Exhibition. In various other parts of the continent such campaigns have been carried on with considerable success, involving lectures to housewives and giving of information showing the effect of poor lighting upon health.

Criticism in the electrical trade is that Hydro is moving very slowly in the matter and that much of the advantage of such a campaign is being lost because the fall season is already here and little has been done on it.

Electric Ironer Production

Factory sales of electric ironers in 1934 numbered 5,585 units valued at $281,311 at factory prices including 3,914 at $228,503 operated by own motor and 1,671 at $52,808 attached to washing machines. Production was reported at 7,436 units. Twelve firms are engaged in this line of manufacture.

MILL IS POSSIBLE AT STURGEON G. BY SPRING OF '36

Development Shows Up Better Under Bulk Sampling

From Our Own Correspondent

JELLICOE.—Underground work at Sturgeon River Gold Mines, the Coniagas-financed enterprise which is the most advanced prospect in Sturgeon River field, has reached a stage where mill installation by spring is possible. More than 400 ft. of drifting has been done on the four levels, and although the work so far done has been in sections of the veins expected to be leaner than in areas to be attacked latter, results have been good. Bulk testing of car samples is being done, and this method of sampling shows measurably higher returns than assays of the channel samples taken from the drive faces.

The Sturgeon River enterprise is considered an outstanding example of the desirability of bulk sampling as opposed to the ordinary channel tests, for car samples have returned gold content from 11 ounces to as high as 22 ounces. Channel sampling would have eliminated the visible gold, taking with it much of the value of the ore. Illustrating this, 27 ft. of drifting on the 500 ft. level on the No. 10 vein, showed by channel sampling 8.8 inches averaging 1.63 ounces, and 40 ft. in the opposite direction gave 1.39 ounces across 6.7 inches, which can be compared to the car samples above noted.

St. Anthony Produced $32,500 in September

September production of St. Anthony Gold Mines is officially estimated at $32,500. The average daily milling rate was 55 tons.

Development on the main vein on the 500-ft. level continues in ore, according to a statement isued over the signature of H. P. Bellingham, president. The vein has been drifted on for a distance of 185 ft. and will average four ft. in width and $15 in gold per ton.

On the 350-ft. level 70 ft. of ore has been opened up on the east branch of the main vein with an average value of .31 oz. per ton. The west branch has been opened up for a distance of 60 ft. of similar grade.

The company, according to the official statement, plans to install a main working shaft which will be carried out through No. 2 winze at the 500-ft. level and through the stopes to surface. It is hoped to have this work completed before the end of the year, after which the shaft will be sunk to the 700-ft. horizon.

Obituary

Charles Cobban, Toronto bond dealer, died in Alpena, Mich., from injuries in an automobile accident. He was a brother of Arthur D. Cobban, vice-president of Wood, Gundy & Co.

John C. Maxwell, of Winnipeg, inspector in the investment department of the Great-West Life Assurance Company, died recently. He was in his 46th year.

Roger C. Chrysler, president of Liquid Carbonic Canadian Corp., died recently in Montreal in his 49th year. He was a director of the Liquid Carbonic Corp., of Chicago, the Dominion Carbonic Co., Liquid Carbonic West Indies, Ltd., and was chairman of the Compressed Gas Manufacturers Association.

Edward G. Penny, retired financier, died recently in his 77th year at Montreal. He was formerly president of the British-American Mining Co. and vice-president of the Hector Prevost Co., investment brokers.

Nut Culture in B. C.

Nut culture in British Columbia's Okanagan Valley is a new industry of much promise.

TWO SOUTH WELLS IN TURNER VALLEY NEAR PRODUCTION

British Dominion Reports Gas Flow — Renfrew Into Limestone

From Our Own Correspondent

CALGARY.—Two Turner Valley wells, British Dominion and Renfrew Royalty, both in the extreme south end of the field, are near completion as naphtha producers. British Dominion is reported to have a gas flow of approximately 8,000,000 cubic ft. daily at about 250 ft. in the limestone. Drilling is being continued in the expectation of a larger flow. The Renfrew Royalty well has just penetrated the limestone-producing horizon. After casing has been cemented below 6,000 ft. the well will be drilled the few remaining hundred ft. to production.

Union-Freehold, the third well nearest to completion, is being sidetracked past lost drill rods. Months of effort failed to recover the missing tools. A whipstock was finally installed and drilling was resumed from 4,920 ft. The tools were lost just as the limestone was encountered.

Drill Two New Wells

Drilling operations are soon to begin at two new Turner Valley wells at opposite ends of the field. The Highwood-Sarcee Company has erected a derrick for the No. 2 well in the farthest south location in Turner Valley while at Royalite No. 27 in the extreme north end of the field drilling is expected to begin in a few weeks. The British American Oil Co. has taken an interest in the new Highwood-Sarcee well. The Royalite well in the north end of the valley will be the farthest north active well in the field.

Paul Von Weymarn, president of the Weymarn Oil Co., a firm which was active during the oil boom of 1929, has returned to Calgary from Norway. He immediately announced that the company's Pincher Creek well which was drilled to 3,900 ft. and then abandoned would be deepened.

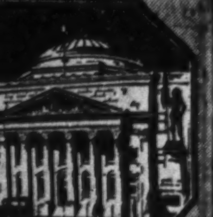
The Mar Jon No. 3 well on the Watson structure, south of Turner Valley, struck a showing of crude oil at last report. The well is down about 3,300 ft. The British American Oil Co. is reported to have an interest in this test.

Hinds Arrested

Arrest of Alfred Hinds, former president of the Merland Co. of Canada, on two charges of perjury in Calgary, came as a surprise to oil men. Mr. Hinds was sued by Johnson Investment, Ltd., a Calgary concern, on the claim that he was personally responsible for purchase of oil well drilling machinery by the Merland and Publix oil companies. Mr. Hinds successfully contended that he merely acted as an agent for these comanies and the action was dismissed. Charging perjury, Albert Johnson, manager of Johnson Investments, Ltd. now alleges that Mr. Hinds made a false statement during his examination for discovery in the civil action by saying he was unaware of the financial position of the Publix company (now bankrupt). He also alleged that Mr. Hinds made a false statement when he said that eight and five-eighths casing was not included in a $1,500 transaction involved in the suit. The dismissal of the civil action is to be appealed, it is understood. Mr. Hinds was allowed to go on $2,000 cash bail and two sureties of $1,000 each.

Okalta Gets Title

Hopes of thousands of shareholders of the defunct Alberta Petroleum Consolidated company were dashed when Chief Justice Simmons announced that he would give the Okalta Oil Company a clear title to its leases in Turner Valley. P. F. Patterson, as trustee for the defunct Alberta Petroleum Consolidated has waged a series of lawsuits claiming that Okalta leases upon which certain producing Okalta wells are located were improperly transferred to the Okalta Company and actually were owned by Alberta Petroleum Consolidated. Finally Okalta Oils brought an action to establish title. Mr. Patterson appeared; bitterly complaining that his counsel had withdrawn at the last moment. After first stating that he would give Okalta Oils clear title, Chief Justice Simmons announced later in the day that he would re-open the case. Thus Mr. Patterson will have another opportunity to state his case on a date not yet set.



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- Sizes 10 to 12

Name or initial tag will be included with each pair, if desired.

Simpson's
THE ROBERT SIMPSON COMPANY LIMITED

OTTAWA SEES SMALL CHANCE LIBERAL SWEEP

(Continued from page 1)

servers did not believe Mr. Bennett would emerge from this contest with 25 seats. Today they are speaking of from 40 to 50 and Mr. Bennett is thoroughly confident of more.

Stevens Chances

As to Mr. Stevens, the great enthusiasm apparent in his own campaign and in the attitude of his general staff is believed by Ottawa observers as thoroughly justified by all that has transpired so far. If there is any wave of popular approval in the present campaign, Mr. Stevens is on the crest of it. Admittedly he has failed to catch on west of the Great Lakes, and indeed his popularity seems restricted in particular localities in the east. But these localities are populous and command a large number of seats in Parliament. The Stevens campaign is said to have attained snowball proportions in western Ontario, in the industrial areas of Quebec, including Montreal, and in Nova Scotia. By the beginning of this week, it had become obvious that the two old parties could no longer maintain their attitudes of studied indifference. The Liberal party, apparently, decided a few days ago to face up to the Stevens threat and Mr. Bennett will likely follow suit during his Ontario campaign, now beginning.

But the measure of the Stevens gain may be also the measure of the C.C.F., defeat. If the Woodsworth party were to all but disappear in the present election it would not surprise Ottawa. Unable to make headway in Ontario, practically unknown east of the Ottawa River, crushed in the west by Social Crediters, the third party is travelling in this election the hardest part of the road to which it took in 1925. The party held some 15 seats in the last house, of which more than half were in Alberta. The Social Credit movement is thought certain to carry 15 of the 17 Alberta seats—leaving Liberals a chance in two strongly French-Canadian ridings. Thus, Mr. Woodsworth will have to gain eight to ten seats before he can commence to enlarge his following—probably an impossible task. The C.C.F. prospects in Saskatchewan, once bright, are being dimmed by the spread of the Social Credit movement. In British Columbia, where the Woodsworth chances are still considered good, a similar development would pretty well snuff him out.

Revising Estimates

To indicate the trend of the campaign in the past fortnight, an outside estimate of the result prepared two weeks ago, after consultation with those in close touch with the various headquarters, gave 120 seats to the Liberals; 65 seats to the Reconstructionists; 25 seats to the Conservatives and 35 seats to the Social Crediters, C.C.F.'s and what nots.

Today the same estimator puts the figures thus: 115 seats to the Liberals; 60 seats to the Reconstructionists; 45 seats to the Conservatives and 25 to the smaller groups. With such swings and counter-swings in progress forecasts are futile.

Dunning Rally

The final week of the campaign will tell the story. Momentarily, at least, the Dunning national broadcast rallied the Liberal party and halted the decline in its fortunes. The former Liberal minister of finance .wil be more active in the final stages of the campaign as will be Hon. J. L. Ralston.

If Mr. Bennett can make as favorable an impression in the East as in the West, he will certainly cut down the Stevens' seats and assure his party the place of the second largest group if victory proves to be beyond his grasp. He will also pull down the Liberal strength making it difficult for Mr. King to form a government.

Unquestionably the campaign enters the final week with a nip and tuck battle being waged on all fronts.

Leading Economic Unit

The pulp and paper industry has headed the list in wage and salary distributions, since 1922, when it replaced sawmills in this respect, and it has been first in gross value of products since 1924, when it exceeded the gross value of sawmill production.

Prairie Provinces

The four provinces of Western Canada have an area of 1,109,352 square miles. A population of 3,047,792, an estimated wealth of $10,073,000,000, and an industrial output of $406,880,784.

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393 ST. JAMES STREET WEST MONTREAL

Eleven Non-callables

High-Priced but Non-callable Preferred Shares Device to Avoid Redemptions of Senior Securities

Redemption of high-quality, high-rate corporation bonds and preferred shares this year creates a brand new problem for Canadian investors. It is how to keep funds employed safely at five per cent or better.

An important contribution to the problem is that maturing bonds of desirable quality are being refunded at reduced interest rates.

The investor is being placed in the position that prime investments which pay a high return are being taken from him by maturity, or by premature redemption. Less desirable holdings which pay a high return are being left on his hands. It is another version of an old investment story: "Heads I win, tails you lose." It takes the good from him, or reduces his rate of income, and leaves the bad in his safety deposit box.

Three Courses

There are three main investment courses which may be followed in this perplexing situation.

First, the investor can buy bonds and preferred shares which are unlikely to be redeemed.

Second, investment policy can be reversed by trading preferreds and bonds for common stocks.

Third, it is possible to buy non-callable preferreds with good records.

Each of these is open to criticism. And this must apply even to non-callable preferreds which form the subject of this article.

Risk Holdings

In view of low interest rates, bonds and preferred shares that are unlikely to be redeemed prematurely are chiefly those that are regarded as somewhat risky. If a corporation bond or preferred stock issue sells well below its redemption price, it indicates that investment opinion of the security is not strongly favorable. This makes redemption improbable because refinancing at reduced rates would not be easy. Bonds and preferred shares that are unlikely to be called either carry low rates now, or are not subject to redemption at all, or else they involve a substantial element of risk.

Risk in Premiums

There are, of course, bonds and preferred shares that sell at or above redemption prices. These do so because they are held in high investment esteem. They are the ones that carry the risk of redemption. To buy such securities is to court a capital loss of the premium paid above the redemption figure. Also, in case of redemption, the problem of reinvestment remains.

The investor who continues to hold securities whose price indicates no early likelihood of redemption may eventually profit from improvement in the position of the company and hence of the individual security. There is something to be said for, as well as against, such a policy. It is important, however, for the investor to understand that risks are involved.

Switch to Equities

The alternative of switching investments in bonds and preferred stocks into equities, in the form of common shares, has been treated extensively in investment articles in The Financial Post. Well-selected common shares have been better investments through the depression than many bonds and preferreds. For the future, there is a prospect of some increases of dividends from prime common stocks. Also, however, there is the risk of being a partner in, rather than a lender to, corporation enterprises.

It is possible, if not pobable, that any list of common stocks will eventually result in some losses. The hope is that gains will offset them. Common stock investments require even more rigid security than bonds and preferred shares. And often it is necessary to alter investments quickly. The alternative of investing in equities in hopes of maintaining or increasing income, rather than taking reduced rates on bonds and preferreds, is worthy of consideration despite the risks. In many cases, they may be no greater than those involved in holding lesser preferreds and bonds, the first alternative.

Non-Callable Preferreds

Investment in non-callable preferred shares, if the record of the issuing company is good, involves payment of a premium above "par." The par value of a non-callable preferred share refers usually to the amount to which the holder is entitled in liquidation of the company concerned. That is, it doesn't mean much.

The main point is that the prices of non-callable preferreds will fluctuate inversely with the general levels of interest rates. This is assuming, of course, that the issuing company continues to prosper.

When interest rates are high, non-callable preferreds sell at low prices. When rates are low, these non-callables sell at higher levels. The rate of earnings of the individual company also contributes to market values, of course.

The risk here is that if the investor in a non-callable preferred wants to dispose of his holding, he may find the price of his investment low; not on account of poor earnings, but because the general level of interest rates has risen.

Interest Rate Question

It is questionable, of course, whether it is a wise policy for the individual investor to buy any sort of security carrying a fixed income when rates are unusually low as they are at present. If a bond with a fixed maturity is purchased, the holder will ultimately get back his capital; unless, of course, the investment is a bad one. In buying a non-callable preferred, the investor must count on seeing its price fluctuate indefinitely with the changes of interest rates in general. In addition there are the normal commercial risks involved in investment in any business enterprise.

The non-callable preferred stock, of course, doesn't constitute a mortgage. The depression has shown, however, that a first mortgage is not necessarily the best thing in the world. This is not necessarily a serious shortcoming in non-callable preferred shares.

Low Rate of Risk

In dealing with the problem of declining rates on fixed income securities, the investor's problem may be summarized: Either a reduced rate of income must be accepted; or some risk of capital loss must be faced in lesser bonds and preferreds, or in equities.

Non-callable preferreds offer an opportunity to ensure income at five to more than six per cent. The capital risks are those involved in a future rise of interest rates and the normal business risks of any corporation investment.

There are more than 20 non-callable preferred stocks available to Canadian investors. Of these, The Financial Post analyzes 11 in the accompanying material. Except for one, Canadian Celanese, they have paid dividends throughout the depression. Good management has characterized all 11 companies. Shares of all are listed and enjoy some activity on Canadian exchanges.

Brief comments on each follow:

Belding

Belding-Corticelli Ltd. has been paying full preferred dividends since 1917. In spite of keen competition in silk products dividends have been earned throughout the depression. Working capital has been maintained and balance sheet values are conservative. There are no bonds. The company was able to earn its preferred dividend under lower-than-present tariffs.

Can. Celanese

Canadian Celanese Ltd. has benefitted materially from increased textile tariffs introduced in 1930. Arrears payments were made up to 1934 on the preferred, but all arrears have now been funded. The preferred participates in 10 per cent of earnings on common. It is not yet clear how the company could do without present tariff protection from outside competition. The preferred is the senior security of the company which has had substantially increased business this year.

Canadian Oil

Canadian Oil Companies Ltd. has no securities senior to the non-callable preferred stock. The full preference dividend has been paid through the two post-war depressions. The dividend does not appear to have been fully earned in 1932. It is now being covered by a comfortable margin, but common dividends have been paid in excess of recent earnings. Plants are conservatively valued, and financial position shows a comfortable liquidity.

Dominion Glass

Dominion Glass Co. has also paid full preferred dividends through all the hectic war and post-war years. It has been earning preferred dividends for over 20 years and will show them covered by a good margin in 1935. Book value of assets is modest and liquidity is high. No satisfactory substitute for glass jars and containers appears to be developing on a major scale, despite invasion of the bottling field by can firms.

Dominion Textile

Dominion Textile Co. has earned preferred dividends by such a wide margin for so many years that the shares are taken as matter-of-course payers. Changes in textile tariffs might affect common earnings, but judging by past experience would not interfere with preferred dividends. While there is a bond issue of $4.5 millions ahead of the preferred, interest is covered by so wide a margin that the senior security is not considered detrimental to the preferred. The amounts of both bonds and preferred are unusually small in comparison with conservatively depreciated asset values.

Jamaica P. S.

Jamaica Public Service Co. is the operating subsidiary of Jamaica Public Service Ltd. There is a bond issue of $2,044,000 ahead of the $100 preferred of J. P. S. Co., but interest and then preferred dividends have been covered by wide margins for many years. The preferred dividend has been paid since the company was incorporated in 1923. Earnings have been improving despite the depression.

Moore Corp.

Moore Corp. A and B preferred stocks are identical except for conversion privileges. The A is convertible, at the holder's option, one share into four common shares. The B stock is convertible, one share for six common. Since earnings apply equally on both and dividend is the same, the A stock offers the better yield and still gives the holder a conversion privilege of value. The shares sank low in 1932 when preferred dividends were not covered, but earnings have recovered sharply and payments have been resumed on the common. Moore Corp. and its predecessors have shown ability to earn dividends in good times and bad. There are no securities senior to the A and B preferred which are therefore first charges on the conservatively valued balance sheet assets.

Ogilvie Flour

Ogilvie Flour Mills has been earning and paying its preferred dividend for more than a generation. There are no securities senior to the preferred and the company owns investments of greater value than the amount of preferred stock outstanding Hence, the company is partly a milling firm, partly, as it were, an investment trust. While milling earnings have fluctuated, stability of investment income has been helpful in the depression. Come what may in the flour trade, the company is capable of earning its preferred dividend by a wide margin. The outlook for 1935-36 in milling, incidentally, seems to be improving.

Robt. Simpson

Robert Simpson Co. is the chief operating subsidiary of Simpsons Ltd. The parent company must pay preferred dividends on the R. Simpson stock before drawing down profits for its own security holders. Also, however, Simpsons Ltd. charges rentals against Robert Simpson Co., being senior charges against the operating company's earnings. The six per cent preferred of Robert Simpson Co. has paid full dividends since pre-war days. The Robert Simpson preferred dividend has been earned throughout the depression despite higher operating charges.

Tuckett

Tuckett Tobacco Co. is now controlled by Imperial Tobacco Co. The Tuckett incorporation dates from 1912 and full preferred dividends have always been paid since the stock was issued. Earnings have run well above preferred dividends. Imperial Tobacco Co. has paid itself liberal common dividends since acquiring control in 1930. This keeps surplus and liquid position of Tuckett's from mounting rapidly but does not remove its earning power.

Yields Up to 6.7% on Non-callables

The eleven non-callable preferred stocks analyzed in the accompanying article sell at prices varying from 2.1 to 17.7 times average earnings per share in the past three years. Yields vary from 4.3 to 6.7 per cent.

In the following tabular comparison, earnings per share are shown for the last fiscal year and averaged for the three latest years. It will be noted that the stocks are selling close to the highest levels for three years. This is partly due to recovery of earnings, but can be attributed also to declining yields on investments. Comparison follows:

Statistics on 11 Non-callable Preferred Stocks

Company:	Issue	Amount	Price range 1933-35 High	Low	Last	Yield	Earn. on pfd. 1934	3-yr. aver.	Price to 3-yr. earn. ratio
		$	$	$	$	%	$	$	
Belding-Corticelli ..	7%	865,300	120½	85½	120	5.8	11.37	11.48	10.5
Can. Celanese	7%	9,000,000	120	70	117	6.0	16.72	12.90	9.1
Canadian Oil	8%	2,000,000	127	79	120	6.7	10.26	9.87	12.2
Dominion Glass	7%	2,600,000	145	98	136½	5.1	15.50	13.44	10.2
Dominion Textile ..	7%	1,940,600	146½	93¼	138	5.1	93.91	64.89	2.1
Jamaica P. Service.	7%	750,000	120	70	115	6.1	38.30	34.32	3.4
Moore Corp.	7%A	3,287,900	143	65	140	5.0	13.36	9.12	15.4
	7%B	1,677,700	166	70	161	4.3	13.36	9.12	17.7
Ogilvie Flour	7%	2,000,000	152	108	140	5.0	37.34	37.33	3.8
Robt. Simpson	6%	3,350,000	109½	46½	108	5.6	18.33	16.03	6.7
Tuckett Tobacco ...	7%	2,000,000	145	107	133	5.3	32.65	27.15	4.9

Butter Emergency Halts Produce Exchange Opening

From Our Own Correspondent

MONTREAL. — Opening of the produce section of the Canadian Commodity Exchange scheduled for this week has been postponed. This was at the request of the Butter Export Marketing Board of Ottawa, which claims an emergency situation has developed. The inaugural will await developments of the Butter Board's endeavor to effect sufficient exports to relieve an apparent surplus which now threatens the domestic market.

The board of governors of the exchange has offered the services of the exchange's organization in meeting the emergency.

Stocks Out of Line

At the beginning of last month, stocks of butter in Canada reached the total of 52 million pounds, the highest on record for this period of the year. This figure represents an increase of eight million pounds over the previous five-year average and 10.5 million pounds over the previous four-year average beyond 1934.

The Butter Export Marketing Board has been created to aid the export of a sufficient quantity of butter to relieve the domestic market.

Ready to Operate

Immediately the situation in the butter market has been clarified, the Canadian Commodity Exchange will put its produce organization into operation. Meanwhile Maurice Forget, president of the exchange, says:

"While the produce section of Canadian Commodity Exchange has been organized to give the produce industry an improved marketing system, it would be manifestly unfair to inject this system into a market where an emergency situation exists at the present time. If it had been possible to have the machinery of the exchange functioning before this situation arose, we feel it would have been of benefit to all concerned. However, as it is our desire to facilitate the efforts of those working in the interests of the producers, we will await developments, and extend such helpful co-operation as may be found desirable."

In the
MONTRÉAL Market District
Where 72.8% is FRENCH

They Use ELECTRIC SERVICE 416,897 Meters
They Own AUTOS 96,383 Private Cars
They Have PHONES 135,520 Subscribers

These are Real "Yardsticks" of Buying Power

MONTRÉAL
MARKET DISTRICT
To Quebec
N
Shawinigan Falls
Louiseville
Trois-Rivières
Ste. Agathe
Joliette
Sorel
Drummondville
St. Jérôme
Terrebonne
Verchères
Montebello
MONTRÉAL
St. Hyacinthe
Quyon
Hawkesbury
OTTAWA
Granby
Sherbrooke
Magog
St. Johns
Ormstown
Huntingdon

Service Électrique!

Nowadays electric light is the rule rather than the exception in even the very small communities. The radio brings music from the distant city; and the electric washing machine and the electric stove make work easier for Madame La Canadienne.

"Electric service" a yardstock of buying power? There are more household meters than there are families in Greater Montreal!

Automobiles!

The total number of private cars registered in the Montreal Market District is 96,383. Over 40,000 of these are in the smaller cities, towns and rural sections where over 80 per cent of the people are FRENCH CANADIANS.

Of the 60,186 private cars and taxis in the City of Montreal, the majority are owned by French-speaking people and taking the Montreal Market District at a whole, three quarters of the cars are owned by French-speaking people... good cars, too, an imposing proportion of them in the higher-priced brackets!

Service Téléphonique!

The Montreal Telephone Directory is a big, thick book. 418 pages of it are solid with type, with the names of approximately 300 subscribers to a page. This covers the Montreal metropolitan area. Taking the Montreal Market District as a whole, there is 1 telephone to every 3.23 households throughout a district that is 72.8% FRENCH.

FRENCH CANADIANS BUY JUST THE SAME AS OTHER PEOPLE!

Electricity gives "light" or "la lumière" — cooks "dinner" or "le dîner" — does "laundry" or "le lavage" just the same whether it is spelled "electricity" or "électricité".

The Montreal Market District is especially rich in power development and a network of transmission lines carries abundant energy to even remote sections, contributing to the high standard of living throughout French Canada.

The automobile uses "gazoline" and "huile", and "parking space" is no easier to find than "stationnement".

The telephone is FRENCH when you are French, and its purpose is balked when the listener does not understand the message because it is not in his own language — just as the advertising message to be effective, must be in the language of the reader.

MONTRÉAL Market District
POPULATION 1,996,255 — 72.8% FRENCH

The desire to buy is one thing. The ability to buy is quite another. And people who can buy automobiles and who regard electric and telephone services as necessities in the home are excellent prospects for any merchandise they need. French Canadians can and do buy what they want.

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. Intelligent sales effort and organization backed by adequate advertising will make this French Reading market yours! The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For full information on marketing conditions write the Business Manager, La Presse, (Canada's French National Newspaper) Montreal or S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont., The Clougher Corporation Ltd., 26 Craven St., London, W.C.2, William J. Morton Co., New York Office: 200 Fifth Ave., Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Investment Trends

Stocks Soft in Fear of Disturbances

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Underlying Demand Strong

Minor declines of stock prices in the past week mark the nervous apprehension of day-to-day traders based chiefly on the uncertain outcome of affairs in Europe and East Africa. Meanwhile broad investment demand is acting as a steadying influence on share prices and is based on long-term prospects of recovery rather than on transient influences. Investment confidence, however, is qualified due to sluggishness of the "heavy" industries.

Factors favoring recovery would heavily outweigh adverse influences if Europe were not disturbed again. A major international financial crisis, which could reverse the course of recovery, is not likely, although minor crises could arise in Italy, Germany and Japan. But the onward march of world recovery has been halted, at least temporarily, and that is a market factor slowing up the advance.

Expert investment advisory opinion continues to favor strength in stocks for the long term. For near-term movements, opinion is divided. Advances of the last six months were generous and could warrant some recession. But there has been no frenzied public speculation and the advance has been based on investment trust and other solid buying.

A particularly well-informed opinion on Ethiopia is that Mussolini will proceed; that the League will be powerless to enforce sanctions because France is secretly opposed; that Britain will protect its own interests although not carrying on a single-handed fight against Italy; that Europe will not break out in a general conflagration; that the result may be some small victory for Mussolini in Ethiopia at the risk of a smash-up at home.

Demand for Stocks

SUPERFICIAL softness of stocks in Montreal and Toronto in the past week has wiped out recent minor advances in share price averages. The mean of the 1935 high and low for industrial share averages of the Montreal Stock Exchange is 59.5. The Toronto Stock Exchange mean is 106.32. The Montreal industrial average price is running about two points below, the Toronto average slightly above, the year's mean of high and low figures. The reason that the Montreal average is running relatively lower than the Toronto figure is that "heavy" industrials and textiles are more dominant in the Montreal index.

The comparatively low level of the averages and the small volume of trading indicates a lack of public participation in day-to-day dealings. Ask any stock broker.

This is a healthy condition. Absence of the element of active public speculation marks a lack of one of the usual augurs of weakness in stocks. Public demand for stocks is largely for investment. It is growing while the volume of securities remains virtually constant. Proofs of this may be seen in strength of preferreds; also in the low yields being accepted by investors in common shares.

This situation is directly the reverse of that of 1930 which preceded a prolonged declining trend for share prices. Then, income was declining, now it is rising. In 1930 there was a vast mass of inflated securities to be digested, and now there are next to none. Demand is now outrunning supply, with consequent basic strength underlying stock prices.

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Unrest Abroad

UNDOUBTEDLY unrest over Memel and Ethiopia has contributed to stock market nervousness. Italy may become a problem in international bankruptcy. Francis W. Hirst, London, in the N.Y. Herald-Tribune, comments that by militaristic deficits:

> "Mussolini is imposing his own economic sanctions upon Italy and the next international problem may be how to save Italy's financial structure from total collapse."

Germany's financial position is also considered disconcertingly inflationary. So is Japan's. Financial crises in these countries would be disturbing to economic recovery but would not necessarily constitute major crises.

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Jolt Unseen

UNLESS there is another major international jolt, such as the 1931 gold suspension or the 1933 U.S. bank crash, chances for further recovery of business and securities seem good.

Improved business and higher prices for stocks in Great Britain have led to some anticipations of a relapse there, detrimental to Canadian security markets. The Midland Bank, world's largest, comments with remarkable confidence:

> "It seems unlikely that the volume of profits can have reached a stage of undue inflation presaging a setback to business and a sharp and early shrinkage in the returns on capital. On the contrary, the enlarged amount available for spending or re-investing should provide a further stimulus to the upward business trend."

As in Canada, funds for investment continue to accumulate in Britain and the United States, constantly bolstering stock markets.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	106.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	98.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
Weekly Figures, 1935:										
Sept. 5	118.5	11.4	60.3	208.6	62.5	128.9	123.1	145.6	46.3	97.3
Sept. 12	119.8	12.3	60.6	210.9	63.1	128.0	129.0	147.9	47.3	98.7
Sept. 19	120.4	12.8	61.6	207.9	63.4	127.9	127.2	148.7	46.7	98.5
Sept. 26	116.1	12.4	61.7	202.5	60.2	127.2	121.0	144.8	45.2	95.8

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 1	108.83	103.69	91.98
Sept. 30	108.72	104.38	91.43
Sept. 28	109.28	104.24	90.91
Sept. 27	108.59	103.86	90.69
Sept. 26	108.17	103.29	90.11
Sept. 25	109.23	103.78	91.17
Month ago	109.19	101.21	92.27
Year ago	95,55	123.30	84.46
High, 1935	114.74	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 1	59.6	57.2	58.0
Sept. 30	59.6	57.5	58.2
Sept. 28	59.7	57.4	58.1
Sept. 27	59.7	57.4	58.1
Sept. 26	59.7	57.4	58.1
Sept. 25	59.9	57.4	58.2
Month ago	61.1	58.2	59.2
Year ago	61.8	54.1	56.7
High, 1935	64.2	63.1	63.0
Low, 1925	56.1	56.0	56.7

Canada's Record of Recovery . . .

Few people fully realize the amount of lost ground which Canadian business has recovered in recent years. Industrial production, for example, is greater today than it was in 1926, a year which may be fairly considered "normal". Since 1933, Canada's industrial plants have increased their output by no less than 61%.

The production of hydro-electric power has more than kept pace with this upward trend. Power is today the fastest growing industry in Canada. Public utility securities continue to be one of the most attractive fields open to Canadian investors.

We recommend

CANADA NORTHERN POWER CORPORATION
5% Bonds due 1953
7% Preferred Stock
Common Stock
(Dividends $1.20 per share)

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

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Re-investment Problem

ONE consequence of falling interest rates, of importance to a legion of Canadian investors, is the problem of re-investment. Redemptions and maturities are being refinanced at low rates. In a separate article in this issue analysis is made of non-callable preferred shares as an escape from the redemption threat.

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Leverage

LOW rates of interest on senior securities have undoubtedly contributed much to the advance of common stocks this year. Even if money rates stiffen somewhat, this beneficial influence would not be entirely removed. If stiffer rates were to arise from increased business activity, common stocks would still be benefitted. This uplifting influence of business recovery on stock prices brings up the important question of "leverage."

Leverage refers to the greater proportionate share in increasing corporation earnings enjoyed by common stocks in contrast to senior securities. For instance, a company which has been barely able to earn bond interest and preferred dividends shows no earnings on the common. Higher profits apply entirely on the common. Hence the "leverage" provided by substantial fixed charges allows much greater than proportionate increases of earnings on common shares as recovery develops..

If corporation earnings continue to rise, this leverage factor may impel some common shares sharply upwards. Preferreds and bonds have already recovered materially. Stable common shares with no large proportion of senior securities have done well. There is still, however, a large group of common stocks which have recovered little because all earnings are absorbed by senior charges. In these "cats and dogs" lie opportunities for maximum capital profits. Also the largest risks.

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U. S. Marches

AMERICAN business continues its forward march. With politicians holidaying and the coal strike cleared, progress is impeded but little. Gross revenues of railways ran to high levels in September, encouraging hopes that at last heavy industries may be in a recovery phase. The importance of the softness of railway stocks in New York is that it is considered indicative of low traffic volume, which, in turn, signifies a low level of business in capital goods industries. Steel will benefit early from the advance dates for new motor models. But there remains an ingrained fear that it may be another year before U.S. heavy industries pick up. Revival of capital goods trades is anticipated as a development which would herald "good times."

Investment Notes

B. A. Oil Record

IN THE current B. A. Oil dividend blotter, shareholders are urged by treasurer J. C. Millar to patronize the company's products. Says he: "Each enthusiastic shareholder missionary helps toward a record turnover in 1935." The inference is clearly that the company's volume may reach record levels this year.

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Bought Dominion Stores

W. FREDERICK Stewart, vice-president in charge of operations for Dominion Stores, bought 600 shares of the company's stock in August. This increased his holdings from 8 to 608 shares. Expression of confidence in a come-back for the company.

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Buys Back Walker's

OF THE 500 shares of Walker-G. & W. common he sold in July, director Leigh M. McCarthy bought back 100 shares in August. At Aug. 31, he held 200 preferred shares, 600 common. This compares with no preferred, 1,000 common at the beginning of July.

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Dredge Fluctuations

CANADIAN Dredge and Dock common has been fluctuating more than usual in the past two weeks In 1935, the company will show an improvement on the 76 cents a share earned last year. This accounts for the recent strength.

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C.P.R. Revenue Down

AUGUST report of revenue for the C.P.R. showed a drop of over 52 per cent in operating earnings for the month. For the first eight months the decrease is nearly 24 per cent. More recent increases in revenue are hardly likely to allow the company to improve on last year's statement.

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Whittall Preferred

WHITTALL CAN preferred's move into higher ground on news that Continental Can will acquire ownership appears warranted. This makes the preferred stock an improved investment. It is callable at 110, however.

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Price Bros & Co.

QUEBEC INVESTMENT CO., private trust firm of the Price family, one of the principal causes for bringing about the downfall of Price Bros. & Co. is now in process of liquidation. According to Hon. Gordon W. Scott, trustee in bankruptcy for Price Bros., there is little likelihood of recovery of any substantial amount with respect to its indebtedness to the company. The amounts advanced by Price Bros. to Quebec Investment Co. were $1,273,500. These sums were unsecured and had been advanced without the knowledge of all directors of Price Bros.

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Dominion Textile

DOMINION TEXTILE CO.'s common stock has declined in value from a high of 82½ to the current level of 60. Several factors have combined to depress the value of this company's stock. Operations have not been particularly good. This is a condition common to all the Canadian companies, consumer demand having fallen off from the high point reached in the early part of 1934. During the fiscal year ended March 31, 1935, Dominion Textile earned $4.30 a share on its common stock as against dividend requirements of $5. Conditions over the next half year may take a turn for the better which might enable the company to equal, if not improve, the showing made last year. On the other hand, if no improvement takes place, the company may consider a reduction in dividend. Another factor which has tended to depress stock is the pre-election talk that a change in Government may mean a revision downward in the textile tariffs.

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Industrial Acceptance

THE financing of installment sales has developed into a business of major magnitude in recent years and experience of the finance companies engaged in this type of business is of more than ordinary interest, in view of the many gloomy forecasts that losses would be so heavy as to wipe out profits. This forecast is not borne out in the case of Industrial Acceptance Corp., which, in the ten years since its organization in 1925, has handled a gross volume of business of $91.8 millions and experienced a total loss of less than four-fifths of 1 per cent. This showing is attributed by the management to careful scrutiny of credit, diversification, and the large margin of safety in favor of the corporation in all its financing. The high point in the company's business was reached in 1931 when the gross volume was $14.8 millions, and the low point in 1933, when only $7.6 millions of paper was handled. For the first six months of 1935, the volume of business amounted to $8.6 millions, or about two-thirds of that reported in all of 1934.

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Goodyear Readjusted

THE Goodyear Tire & Rubber Co. of Canada profits for the nine months ended Sept. 30, 1935, exceed those for the same period of 1934, C. H. Carlisle, president, states in a letter to shareholders. The profits for that period are in excess of the year's dividend requirements and therefore profits in the last quarter can be added to surplus.

The capital structure rearrangement is now completed. The company as a result, says Mr. Carlisle, "is now financed in keeping with current conditions and is in position to meet both foreign and domestic competition."

This statement is bound to have a reassuring effect in view of the keener competition to move tire stocks reported in the first half of 1935.

Federal Securities Co. Affairs Heavily Involved

From Our Own Correspondent

MONTREAL. — Following an investigation of the affairs of the Federal Securities Co., of Halifax, an official statement has been issued to the effect that the company is practically without assets with which to satisfy any claims and is unable to return certificates entrusted to it.

No estimate of the amount involved in the collapse of the company, which is not officially in bankruptcy, could be secured from Government authorities, but the loss is understood to run into a substantial figure.

Following the disclosures brought about by the investigation, warrants have been issued for six principals and employees of the Federal Securities Co.

Montreal 'Change Trading Off Slightly in September

From Our Own Correspondent

MONTREAL.—Sales on the Montreal Stock Exchange and the Montreal Curb Market totalled 1,177,346 shares during September, a decrease of 3,029 shares from August, when the total turnover amounted to 1,180,375 shares. In September, 1934, 1,132,735 shares were traded.

Turnover of industrials during September amounted to 403,456 shares, compared with 514,649 shares in August and 267,379 shares in September of last year. In mines 773,890 shares were traded as against 665,726 shares in August and 865,356 shares in September, 1934.

Public Utility Earnings

National Light & Power Co.
Eight Months Ended Aug. 31

	1935 $	1934 $
Gross earnings	317,290	316,931
Operating exps.	138,010	157,109
Net income	179,280	159,822
Other net charges	30,326	31,714
Bond interest	82,414	80,000
Net profit	66,540	48,108

East Kootenay Power
August

	1935 $	1934 $
Gross income	37,641	37,488
Operating expense	10,968	10,488
Net earnings	26,673	27,000
5 months end. Aug.:		
Gross earnings	183,015	174,465
Operating expense	55,992	56,164
Net earnings	127,023	118,301

WINNIPEG ENDS LONG CONTRACT MAN. POWER CO.

'Peg Electric's Fusing Plan Now Main Hope of Bondholders

PROXIES COMING IN

The Winnipeg city council has definitely given notice to Manitoba Power Co., subsidiary of Winnipeg Electric Co., that it will not extend the contract to take power. This contract called for a delivery of 10,000 h.p. in 1928, 20,000 h.p. in 1929 and 30,000 horsepower for the next six years. It was then to diminish 10,000 h.p. annually and cease on Sept. 1, 1937. The city paid $37,946 in 1928 under this plan and $472,500 in 1934. It will pay $420,000 in 1935, $262,508 in 1936 and $105,000 in 1937.

The Winnipeg Electric Co. plan of reorganization took into consideration the probability that the city would end the agreement. Nevertheless Edward Anderson, president, recently asked the city council to reconsider, pointing out that the city would have to increase its own power projects at great expense. He argued that harmonious development of the Winnipeg River at times when power was needed would be best for all concerned. The rejection was not unexpected but officers of the company, it is understood, felt that the application should be made so that no bondholder hereafter could feel that any stone had been left unturned to preserve existing revenues of the company.

Meeting May Adjourn

All bondholders have now accepted the reorganization plan which aims at merging Winnipeg Electric Co. and all subsidiary companies into one, except Manitoba Power Co. bondholders.

The adjourned meeting will be held in Toronto on October 10. The original meeting was adjourned because a total of $5 millions was represented whereas, under Manitoba laws, a total of $8 millions is really required. Since that time more and more bondholders have been sending in their proxies and now it is understood, there are more than $6 millions of bonds registered in favor of the project. At the rate these bonds are now being sent in, it is possible and even probable that there will not be a high enough total on Oct. 10. That would entail another adjournment. The action of the city council may hasten the sending in of proxies as it makes apparent that success can only be achieved by union.

Large Bondholders Accept

All the large bondholders have studied the plan and have sent in their proxies. The difficulty arises in getting contact with the small bonds which are scattered all over the continent. The difficulties especially are great in the United States under the new Securities Act. Wherever the matter has been brought to the attention of bondholders, the response has been excellent. Canadian bondholders have nearly all turned in their bonds.

When the plan becomes operative, Manitoba Power bondholders may exchange their bonds for the new general mortgage bonds on which interest accrues from January 2, 1935. This accrued interest will be paid at the time the exchange of bonds is made.

Bondholders of other four companies have already approved the plan. One class of security holders can destroy it by voting against it. The committee is confident, however, that all classes will feel the plan is as fair a plan as it was possible to devise while taking into consideration every interest involved and the necessity of compromise wherever interests clashed.

Minority Can Now Adopt Biscuit Co. Reorganization

Bondholders of Canada Biscuit Co. are to meet in Montreal on Oct. 11 to consider the scheme of reorganization proposed late in August. The meeting held Sept. 20 was adjourned to the later date because of lack of a quorum. At the adjourned meeting a quorum will not be necessary. Bondholders represented in person or by proxy will be able to pass the scheme, thus making it binding upon all bondholders.

Miniature Prosperity Bond To Be Offered by Alberta

"Prosperity" bonds in denominations as low as $10 and $25 each for terms up to 10 years will be sold by Alberta, according to a recent announcement by Premier William Aberhart. The proposed issue, Mr. Aberhart says, has nothing to do with his "Social Credit" scheme.

The government is expected to offer the bonds direct to the public. Apparently one of the aims of the issue is an attempt to have the public debt of Alberta held entirely with in the province. This, it is conceded, may take some years.

Halifax Shipping

Cargo tonnage handled over the piers of Halifax for the first eight months of this year, compares as follows with figures for the corresponding period of the last four years:

	Tons
1935	1,488,783
1934	1,396,999

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

PROVINCIAL BRICK BUYS OUT ASSETS OF LAPRAIRIE CO.

Further Steps Taken to Effect Reorganization of Enterprise

From Our Own Correspondent

MONTREAL.—Properties and assets of the Laprairie Co. Inc., which were offered for sale by the Royal Trust Co., pursuant to the provisions of the trust deed securing the six per cent first closed mortgage bonds of that company were adjudicated to the Provincial Brick Co. at a price of $406,000.

Concurrently with the issue of letters patent incorporating Provincial Brick Co., letters patent were also issued incorporating the Laprairie Co. Inc., with an authorized capital of 7,500 shares of six per cent cumulative redeemable preferred stock and 50,000 shares of no par value common stock.

Enter Into Agreement

The latter company is understood to have entered into an agreement with the Provincial Brick Co. on terms which will mean that the new Laprairie Co. will become the successor company to the old Laprairie Co. in so far as concerns the conduct of the business previously carried on by the old company.

Capitalization of the old Laprairie Co., whose assets were sold by the Royal Trust, included, according to the last available balance sheet as at December 31, 1934, a bond issue of $500,000 and the following stocks: 5,000 shares "A" preferred of $100 par; 15,625 "B" preferred at $10 par, and 99,066 shares of no par value common stock.

Gross Agricultural Revenue

The total gross agricultural revenue of Canada for 1934 was $931,347,000 as compared with $802,946,000 in 1933. This large increase has benefitted western Canada considerably.

October Investments

Our new list of investment suggestions includes a wide selection of Canadian Government, Provincial, Public Utility and Industrial Bonds. Short and long term securities are offered, as well as bonds with interest and principal payable externally and internally.

An examination of this list will furnish many opportunities for the improvement of investment portfolios.

Copy gladly forwarded upon request.

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Ottawa, Hamilton, Vancouver, London, Ont.

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BRITISH COLUMBIA POWER CORPORATION

LIMITED
and Subsidiaries

OFFICERS:

W. G. Murrin.............*President*
A. T. Goward.....*Vice-President*
E. H. Adams, *Vice-Pres. and Treasurer*
E. Rogers.............*Secretary*

DIRECTORS:

E. H. Adams — Hon. Sir F. S. Barnard, K.C.M.G. — C. E. Calder
John Davidson — S. Godin, Jr. — A. T. Goward — J. H. Gundy
Andrew P. Holt — Sir Herbert Holt — George Kidd — W. G. Murrin
A. J. Nesbitt — Austin C. Taylor — P. A. Thomson — J. B. Woodyatt

CONSOLIDATED BALANCE SHEET

as at June 30th, 1935

ASSETS

Current and Working Assets:		
Cash at Bank and at Call	$1,195,784.73	
Accounts Receivable	1,466,321.06	
Insurance Unexpired and Prepaid Items	162,347.16	
Employees' Housing Loans, Mortgages, etc.	354,243.66	
Stores, Materials and Supplies on hand as determined and certified by responsible officials of the Companies, valued at average cost.	1,560,107.69	$4,738,804.30
Investments at Book Values: (Market Value, June 30th, 1935, $2,775,931.18), viz.:		
Government Bonds	$1,576,947.32	
Corporation's Own Bonds purchased in anticipation of Sinking Fund requirements	554,483.75	
Corporation's shares purchased by Subsidiaries for re-sale to customers and employees	812,234.00	
Sundry Investments	28,604.25	2,972,269.32
		$7,711,073.62
Bond Discount—Balance		306,206.00
Property Account:		
Balance at June 30th, 1934, and cost of additions during the year	$138,813,801.04	
Less Provision for Depreciation and Renewals	25,077,932.86	113,735,868.18
		$121,753,147.80

LIABILITIES

Current and Accrued Liabilities		
Accounts Payable	$1,182,431.40	
Reserve for Income and Other Taxes	868,008.02	
Debenture and Bond Interest Accrued	497,823.71	
Dividends Declared, since paid	619,600.00	$3,167,863.13
Bond Debt		38,707,518.15
Capital Stocks of Subsidiary Companies Held by Public:		
British Columbia Electric Railway Co. Ltd.— 5% Cumulative Perpetual Preference Stock	$6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.— 6% Cumulative Preference Shares	5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5%, subject to the sanction of the Supreme Court of British Columbia.		
Minority Shareholders of Subsidiary Companies	3,446.25	11,987,446.25
Reserves: General and Accident		1,304,790.84
Capital: Authorized— 1,500,000 Class A Shares without nominal or par value entitled to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class B Shares up to a further $3.00 per share, redeemable at any time on resolution of Directors at $100.00 per share. 1,500,000 Class B Shares without nominal or par value.		
Issued— 1,000,000 Class A Shares and 1,000,000 Class B Shares issued for a total cash consideration of	$59,250,000.00	
Capital Surplus: Surpluses of Subsidiary Companies as at May 19th, 1928, the date of the acquisition of their Capital Stocks by the Corporation	6,115,764.59	
Earned Surplus: As per statement	1,219,764.84	66,585,529.43
		$121,753,147.80

Approved on behalf of the Board { W. G. MURRIN, Director. GEORGE KIDD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the Books and Accounts of the British Columbia Power Corporation Limited, and its Subsidiary Companies for the year ending June 30th, 1935, and have obtained all the information and explanations which we have required. For the reason stated in the Directors' report certain information in regard to the property accounts, as required by Section 112 of the Dominion Companies Act 1934, and particularly subsections 2 (F), 3 (B) and 3 (C) thereof, is not given on the Balance Sheet, and on this basis we report that, in our opinion, the above Consolidated Balance Sheet at June 30th, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Vancouver, B.C., August 15th, 1935.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS ACCOUNT

for the year ended June 30th, 1935

Gross Revenue from Operations	$12,911,869.69	
Income from Investments	118,221.36	$13,030,091.05
Deduct—		
Operating Expenses, including Municipal Taxes	$6,212,823.65	
Directors' Fees	18,090.00	
Provision for Depreciation and Renewals	1,844,219.40	
Provision for Income Taxes	764,380.01	8,839,513.06
		$4,190,577.99
Deduct—		
Interest on Bond Debt	$1,833,223.73	
Proportion of Bond Discount written off	12,414.00	
Cost of Exchange	10,666.61	1,856,304.34
Net Profit for the year		$2,334,273.65
Deduct— Dividends on Preference Stocks of Subsidiary Companies—		
5% Cumulative Perpetual Preference Stock	$349,200.00	
6% Cumulative Preference Shares	300,000.00	649,200.00
		$1,685,073.65
Deduct— Dividends on Class A Shares for the year ended June 30th, 1935		1,500,000.00
		$ 185,073.65
Add— Earned Surplus—Balance at June 30th, 1934		1,034,691.19
Earned Surplus—Balance at June 30th, 1935		$1,219,764.84

Bonds

Gilt-edged Issues Level Off at Lower Prices—Albertas Enjoy Recovery

Gilt-edged governmental bonds closed September with reasonable price stability after wild downward fluctuations earlier in the month, due chiefly to Rt. Hon. R. B. Bennett's proposal of a national debt conversion.

Levelling out of prices was indicated in The Financial Post's daily average around 107. A minor softness developed just at the month end due to recession of government bond prices in New York and London. It was insignificant, however, in comparison with the slump of some five points in the average due to the conversion scare.

Albertas Recover

Chief feature of the recovery of government bonds was a general rise of Alberta issues. Gains were general up to two points. This movement is interpreted as a natural recovery from over-depressed quotations. Still Alberta bonds and other Western issues are far from regaining the relatively high prices recorded early this year.

Firmness in corporation bonds has been in direct contrast with the shaky character of prices for governmental issues. There has actually been a tendency to regard the risks of investment in corporate bonds as preferable to those in government securities.

Beauharnois, Gatineau, Ottawa Valley and Maclaren-Quebec power issues yielded a point each in the last week of September. This was due to refusal of the Ontario Hydro to accept delivery of more power increases contracted for from the Beauharnois and Gatineau firms.

The halt in the decline of gilt-edged bonds is indicated in the following tabulation of The Post's averages:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Oct. 1	4.068	106.94	Oct. 1	3.827	110.17
Sept. 30	4.077	106.79	Sept. 29	3.814	110.32
Sept. 28	4.066	106.96	Sept. 28	3.810	110.36
Sept. 27	4.081	106.79	Sept. 27	3.787	110.48
Sept. 26	4.076	106.86	Sept. 26	3.774	110.53
Sept. 25	4.070	106.89	Sept. 25	3.766	110.64
Sept. 24	4.057	107.00	Sept. 24	3.739	110.92
Sept. 23	4.083	106.69	Sept. 22	3.741	111.00
Aug. 31	3.637	111.54	Aug. 31	3.740	111.03
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

Pitfield and Hanson Offer St. Jerome Bonds

From Our Own Correspondent

MONTREAL.—W. C. Pitfield and Co. and Hanson Bros. Montreal, are making a joint offering of $175,500 of four per cent bonds, secured by a special assessment, of the Parish of St. Jerome. These bonds are offered in two blocks, the 1937-49 maturities at 100 and accrued interest and the 1950-59 maturities at 99½ and accrued interest.

Proceeds of this issue are to be used by the Parish to redeem all bonds outstanding of the loan of August 1, 1933, the loan of May 1, 1926 and all bonds maturing on or before March 1, 1936 of the 1934 loan.

Canadian Pacific Ends Career of Place Viger Hotel

From Our Own Correspondent

MONTREAL.—After having been in operation since 1898, the Canadian Pacific Railway has permanently closed down the Place Viger Hotel in Montreal. This property has been operated at a loss for several years and on two other occasions the company has threatened to close the hotel but deferred taking action at the request of many civic bodies and individuals.

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URGES DEPOSIT WINDSOR BONDS FOR PROTECTION

Chairman Sees Penalties Unless Refinancing Contested

It is possible that proposals for refinancing debt of Windsor, East Windsor, Sandwich, Walkerville, and of the Essex Border Utilities Commission may "severely penalize debenture holders," unless it is contested, according to Archibald McPherson, chairman of the Windsor debenture holders' protective committee.

Mr. McPherson, who is also president of the Ontario Loan and Debenture Co., London, has issued a statement urging holders of debentures of the defaulting municipal bodies to make deposits of their securities with protective committees. The statement follows:

"Chartered accountants, acting for all the protective committees involved, are making an intensive survey of the financial position of those municipalities which now form the city of Windsor, to determine their respective ability to meet their obligations to debenture holders.

"At the present time, the Windsor Finance Commission is working on a programme of refunding the entire debt. It is probable that a proposal will be submitted to debenture holders in the near future.

Sees Some Sacrifice

"I have no doubt that it is the desire of all reputable citizens to meet their obligations. However, so far as the facts reveal, it appears that some concessions will have to be made. Therefore, each holder of Windsor, East Windsor, Sandwich, Walkerville and the Essex Border Utilities Commission debentures should put himself in a position where he will not have to make greater concessions than necessary.

"The one way to do this effectively is to deposit his debentures with the particular protective committees concerned. Debenture holders should remember that under The Department of Municipal Affairs Act, 1935, a municipality in default may submit a proposal for refinancing and if that proposal is not objected to by a specified percentage of debenture holders, it may at once be put into effect.

"We have not the particulars of the proposal which Windsor, and the other municipalities which are now part of Windsor, will submit, but it is possible that it may severely penalize debenture holders, unless it is contested by a sufficiently large proportion of the municipalities' creditors. It is in order to put ourselves in a position where we may make objections to any unfair proposal, that we are asking for deposit of debentures with the committees."

McGEER SEEKING ANOTHER PARLEY OF BONDHOLDERS

Vancouver Mayor Still After Reduction of Bond Interest

From Our Own Correspondent

VANCOUVER.—Mayor G. G. McGeer, whose proposals to slash the interest rate on Vancouver city bonds aroused widespread criticism last winter, is not going to let the matter drop, after all, even though he has been silent on the subject for months, and his silence has been a factor in the gradual recovery of the city's securities.

McGeer announced a few days ago that the city will shortly invite bondholders to sit in at a conference to discuss another refunding plan. He intimates that he will seek refunding of present bond issues to between 3 and 3½ per cent.

Government Support

Meanwhile the city has received promise of support from the provincial government in connection with its recent issue of baby bonds to the value of $1,500,000. Litigation arose over these bonds and the whole question was somewhat in doubt until Premier Pattullo announced that if provincial legislation was required to legalize the issue he would pledge his government to pass such a measure. Thus reassured, Mayor McGeer is proceeding with the public works programme for which the bonds were issued.

Forms New Firm

—Photo Who's Who in Canada.

LAWSON WILLIAMS

Who is president of Lawson Williams & Co., new Montreal investment firm formed to deal in government, municipal and corporation securities. Vice-presidents are H. Everett Dwyer and Harold W. D. Pope, the latter being also sales manager. D. Williamson, treasurer of the new firm, is also manager of bond trading.

Montreal Debenture Corp. Revenue Equal to Expenses

From Our Own Correspondent

MONTREAL. — Revenues of the Montreal Debenture Corp. during the past year have been equal to expenses, but there was no surplus available for distribution on the company's bonded debt. While the balance sheet shows that the company does not owe any money, it nevertheless reflects a substantial loss experienced by the company on a property which it had to foreclose on during the year.

Prospects of a payment on the company's six per cent income bonds do not appear promising at this time. Those close to the affairs of the company say that it may be several years before any interest can be paid. At present there are nearly $1.8 millions of the income bonds outstanding.

Appointments Come Slowly To Unemployment Body

From Our Own Correspondent

OTTAWA.—Denial is made here by officials of any "wholesale" announcement of new appointees to the Employment and Social Insurance Commission. It is also denied that any British authority would be hired to help the Commission work out its huge task of introducing unemployment insurance into this country.

Appointments are being made gradually by the Civil Service Commission with no spectacular appointments planned for the next week or so.

Nickel Takes Lead On Stock Exchange

Elections and war curbed activity of investors on the industrial section of the Toronto Stock Exchange in September. A creeping advance featured operations until September 13 and then the increasing prospect of war started an adverse movement. International Nickel and Distillers Corp. Seagrams were strong. The ten most active stocks are shown in the following table:

Sales 10 Active Stocks

Stock	Shares Sept.	Shares Aug.	Net Price Chge.
Nickel	101,745	43,365	up 1⅜
Dis. Seag.	76,572	93,189	up ⅞
Imp. Oil	29,696	42,954	off 1⅛
Brew. & Dis.	29,140	45,042	up ⅛
Int. Pete.	29,119	61,149	off 1½
Ford	27,077	22,637	off ¾
C. I. Alco.	25,567	9,688	off ⅜
F. Farmer	16,477	15,455	up ⅜
Brazil	15,258	24,639	up ⅜
Brew. Corp.	14,636	14,588	off ⅞

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Barcelona Trac.	6½%	1965	Dec. 1	‡100
Belding-Cort.	5%	1936	Nov. 1	105
Nat. Cement	7%	serial	Nov. 1	102
National Grocers.	6%	1935	Nov. 1	105
Ont. Steel Prod.	•6%	1943	Dec. 1	110
Riordon Pulp & P.	6%	1942	Dec. 31	■105

For sinking fund: ‡£15,100. •$23,900. ■$74,000.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

Bond Tenders

Grand'Mère, Que.—Oct. 9, 5 p.m.—$39,500, 4½ per cent bonds dated Oct. 15, maturing serially 1936-65. J. E. Deziel, sec.-treas.

St. Augustin de Demaur, parish, Que., Oct. 5, 2 p.m.—$28,400, 4 per cent bonds dated Nov. 1, maturing serially 1936-65. Delphis Marois, sec.-treas.

St. Adèle, parish, Que., Oct. 7, 7.30 p.m.—$7,000, 4 per cent bonds dated Oct. 1, maturing serially over 20 years. J. A. Granger, sec.-treas.

St. Jean Vianney, Que., School Corp., Oct 15, 5 p.m.—$85,000 of bonds dated Nov. 1, maturing serially 1936-60; $37,500 gtd. by Int'l Paper Co. and Quebec Gov't at 3½% or 4%, and $47,500 not so gtd. at 4½% or 5%. J. D. Bigue, sec.-treas.

Devaluation of U. S. Dollar Prime Aid in Recovery Here

Explanations of Depression Plentiful, But Literature Scarce on Causes of Recovery, Says A. E. Ames & Co.—Uncontrollable Influences Sway Canada

Devaluation of the U. S. dollar in 1933 appears to have been the chief factor in starting Canada toward better times, states the monthly letter of A. E. Ames & Co., Toronto investment firm.

The letter points out that literature explaining the causes of the depression has been ample, but that analysis of the forces of recovery has been neglected in favor of intellectual inventions in the form of schemes for prosperity. It continues:

"It is strange that rather more attention has recently been devoted to these plans to provide prosperity than to an analysis of the forces that have brought us to the present point in recovery which is over 60 per cent above the low point in February, 1933, and approximately at the level of September, 1930.

What Started Turn?

"The question, 'What initiated the turn for the better in 1933 and what forces have carried us upward in the two and a half years since that time?' is pertinent and practical because only by such an analysis can we hope to keep on the path of progress.

"It can well be recalled that the month of March, 1933, was extremely discouraging. For a week every bank in the United States was closed. The U. S. dollar was worth $1.21 in Canada and the pound sterling was quoted at $4.13 after having been as low as $3.62 in the preceding October. Bond and stock prices were in the depths and production and trade were at a minimum.

"While the change for the better in Canada in ensuing months cannot be attributed to any one cause it seems reasonable to say that the devaluation of the United States dollar was a primary influence that started us on the road to better times. In saying this there is no denial of certain collateral occurrences or of the contributing influence of returning financial confidence already evident in Canada before March, 1933, or of the splendid morale and spirit of the Canadian people in the darkest days or of the replacement demand which always appears to stimulate business at some stage of depression.

Two Big Results

"But it is equally true that devaluation of the United States dollar started a series of influences strong enough to carry us out of the trough of depression. In particular it did two things of vital importance to Canada. First, by causing a rise in the pound sterling that carried it from around $4 to above $5, in Canada it gave to Canadian exporters a larger dollar value for their exports. Secondly, by reducing the premium on United States funds it relieved Canadian debtors of an extra burden in meeting their external obligations. Concurrently the onward sweep of recovery in Great Britain and some other sections of the 'sterling area' and the revival of confidence in the United States gave us more receptive markets for our exports and their volume increased. Add to this picture of rising dollar returns from exports and of more receptive markets the beneficial influence of rising prices abroad and there is a valid explanation of the turn for the better that came in the months following March, 1933.

"Canadian business has always been particularly responsive to improvements in our export trade because our internal economy has been adapted in large part in the last forty years to external business, as for instance in our agricultural areas or in the pulp and paper industry where the bulk of production is intended for export.

"It is not surprising therefore that our internal business responded readily to the rising value and volume of our export business. Our external balances available to meet our debt payments abroad began to increase, thereby enhancing our credit standing abroad and with corresponding benefits to our structure of values at home. Internal business began to quicken as it became apparent that deflation had run its course for the time being at least, profits replaced losses in many companies, and equities in the stock markets, reflecting this situation, rose in price to the benefit of their holders. An easy money policy helped to restore depreciated bond values and strengthened the financial position of holders. Demand, long deferred, for automobiles and many other articles was awakened.

"In brief, one impulse felt at a fortunate moment spread its influence and started a chain of events that, while it has not restored prosperity, has opened a course that has aided in an important way in lifting us out of the depths of depression and may, if it does not suffer too much interference, guide us still farther on the upward path.

Pace Shows Lag

"Too much in the way of internal recovery should not be expected to be derived from foreign trade, however. The pace of the rise in dollar value of our external trade is inclined to lag. The initial stimulus of currency devaluation is hardly likely to be repeated again, but our future trade can benefit from an acceleration of wheat exports at good prices and also from any further rise in the buying power of our customers in Great Britain and the United States for many other Canadian products. It is in the latter country that we have lost a large part of our external sales and Canada has, therefore, a special interest in the revival of buying power there. In the rest of the world, Canadian exports still suffer from world-wide economic nationalism and it has been difficult to achieve progress in overcoming the restrictions in international trade.

"A review of the forces at work in the past 2½ years shows how profoundly influenced is our course by policies abroad over which we have little or no control. At best our own policies can only modify the disadvantages or accentuate the advantages resulting from international influences upon our trade and financial contacts in many parts of the world. Our policies cannot, without marked readjustments, divorce us from world trends and allow us to set an independent course."

Soap Industry Additions

Extensive additions to the soap industry in Winnipeg are being made this year. The Cream of Wheat Company's plant here has also been enlarged.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Sussex, NB.	Sept. 23	W. C. Pitfield & Co.	4%	20-yrs.	$12,000	100.56	3.96%

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CITY OF TORONTO
4½% BONDS
DUE 2 JANUARY, 1938
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Montreal Quebec Saint John

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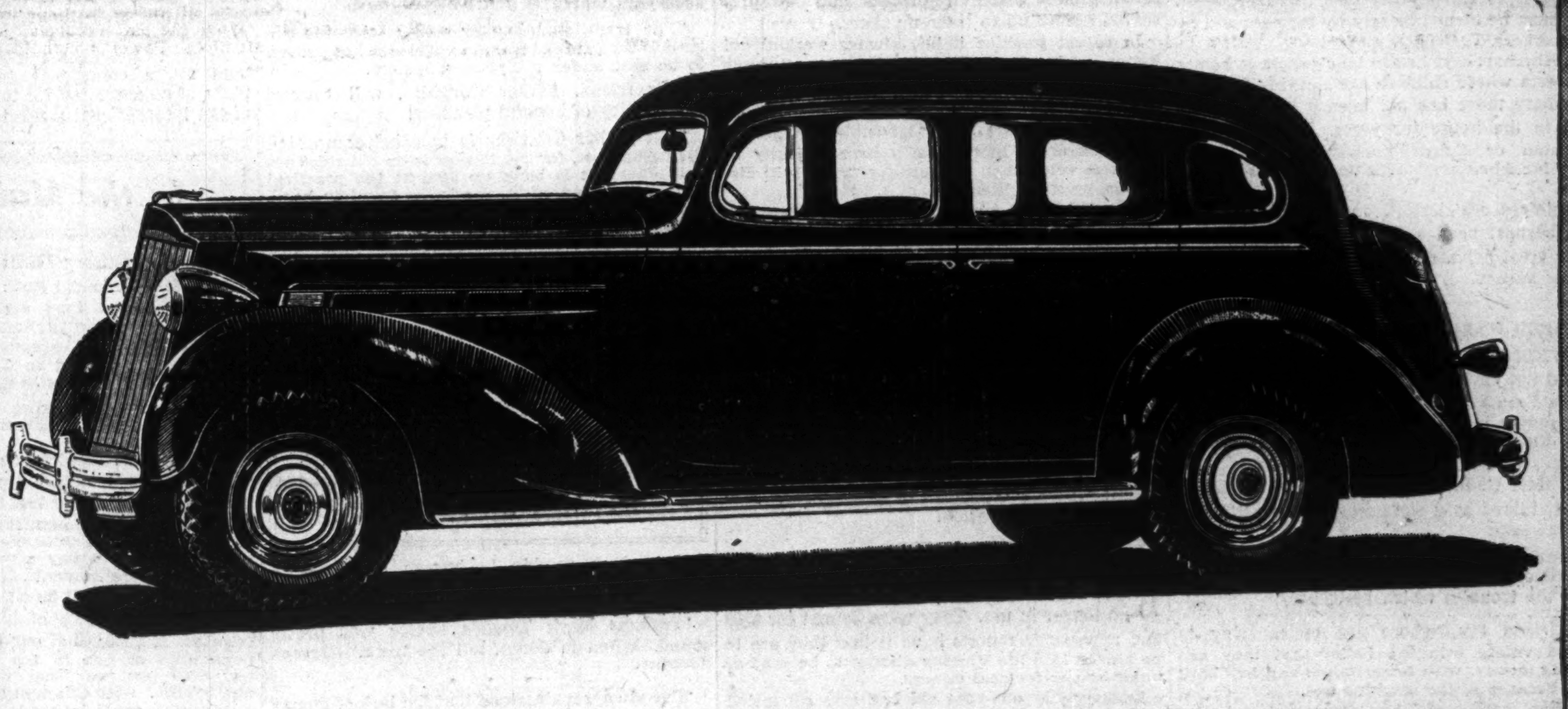

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For this car that, in its first year almost swept to first place in its price class, is now *a car that is better still.*

No other car can give you all these things this year

We do not believe that any other car can duplicate the new 1936 Packard 120's truly unbelievable riding comfort.

We do not believe any other car of comparable size and weight can accelerate so fast—and with such uncanny quietness and smoothness.

We do not believe that any other car in America will give you more years of service, or remain so free from trouble—unless you choose a higher priced Packard.

We do not believe that it is possible to find greater operating economy in any other car of comparable weight and power.

We do not believe that more real comfort and luxury have ever been built into a car made to sell for less than $3000.

No other car can give you this for thirty years

"The lines of a Packard never wear out." *Can you say as much for any other car?*

No. For Packard's unchanging lines have given Packard a distinguished identity that has taken thirty years to achieve. It would take any other car an equal period.

No other car can ever give you this

No other car can give you the prestige that Packard stands for. Yet the Packard name is yours without an added premium.

For you can buy a new 1936 Packard 120 almost as easily as you can buy one of the lowest-priced cars. Any Packard dealer will be glad to prove this to you with actual figures.

And the Packard 120's long mechanical life and long style life make it a car it is sensible to buy out of income.

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Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

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ADVERTISING RATES

Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.

Chairman of the Board—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—H. Victor Tyrrell

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, Resident representative: J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

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TORONTO, OCTOBER 5, 1935

ARE CHILDREN STARVING TO DEATH IN ALBERTA?

THE Calgary Herald takes issue with Premier Aberhart on some of the statements he made in the East. Mr. Aberhart declared that "children are crying out for food in Alberta tonight. The boys and girls are hungry." He stated that Alberta people could not buy cars and gasoline to run them. He said that there were hundreds of families in Alberta where there has not been a loaf of bread in the house since the depression began and that many families existed entirely on eating gophers.

If these statements are true it is a serious indictment of the relief system as administered in Alberta. Mr. Aberhart's first job should be to provide food for those that are hungry even if it means postponing the study of social credit.

But we believe with the Calgary Herald that Mr. Aberhart was exaggerating. When one considers the millions that have been poured into Alberta, as into other provinces, for relief purposes, it is hard to believe that anyone can possibly be starving or going without at least the necessities of existence. The standard of living of a great many people in Alberta may be a meagre one but there is a difference between a deplorably low standard of living and outright starvation.

Last year motor car owners paid into the provincial treasury of Alberta $3,650,000 or 25 per cent of the province's total revenue. There are not enough millionaires and wealthy people in Alberta to run all the cars there included. They must be owned largely by farmers and by city workers.

Mr. Aberhart says he can take people to homes in Alberta where children are starving to death and where there has not been a loaf of white bread in the house for years. We wish some Edmonton or Calgary newspaperman would accept Mr Aberhart's invitation and publish the truth.

If children are starving anywhere in Alberta, Mr. Aberhart need only give the facts to any of our great private charities and food supplies will be rushed.

WE NEED HARD WORK AND EXPERIENCE

ADVICE based on experience and wisdom, and not on the untried theories which form the great mass of the policies promoted by political leaders in the present campaign, was offered the other night by two Conservative leaders.

Col. Hon. G. R. Geary, K.C., new Minister of Justice, talked as a statesman, not a politician, when he said:

> "Hard work must transcend petty political differences before this Dominion emerges from the troubles which beset her."

Politicians everywhere are endeavoring to mislead voters into the belief that they can earn big money, with fewer hours and less hard work, because of the machine age.

Rt. Hon. Arthur Meighen, Conservative leader in the Senate, advised voters:

> "Look over the array of contestants in the electoral field and choose men of able record and ability.
>
> 'Canada needs the best possible brains to head its Government."

He urged that electors select "the biggest men with widest experience and greatest ability."

Men and women of authority, who can speak from a background of personal experience and observation, will agree that no sounder advice than that given by these two men has yet appeared in the war of wasteful words that is being let loose upon the people of Canada, even by its supposedly great leaders.

SIZING UP OUR MILL-STONE; A NON-POLITICAL VIEW

THE usual argument as to which party is easiest on the taxpayer is being pursued vigorously in this campaign. The Liberals, of course, have the least difficult side of it. They were in power during years of world prosperity and the Conservatives have been in power during years of world depression.

No matter how spendthrift a government might have been during years of buoyant revenues it would have had difficulty in increasing the net debt greatly. In fact we are a little surprised that Conservatives have not compared the Liberal debt reduction with what Mr. Mellon did. In the Harding-Coolidge-Hoover era he reduced U. S. debt so much that Roosevelt has only recently been able to attain the post-war peak. On the other hand Mr. Bennett started with a debt very close to the post-war peak.

No matter how careful a government might be in times of depression it would have difficulty cutting its expenditures as rapidly as revenues declined—even if it tried, which would be remarkable.

Some misleading figures are being used. For instance, most of the Liberal figures on decrease in debt overlook the enormous, wasteful and almost entirely non-productive expenditures on the Canadian National Railways.

Here are the figures, as The Financial Post compiles them, showing for each fiscal year the net increase or decrease in the combined total of the Dominion's debt and the Canadian National Railways debts directly due to the public. This is the simplest way to present figures that tell the whole story without duplication:

Year to Mar. 31:	Increase or Decrease	Amount
1923	+	$ 36,200,000
1924	−	17,500,000
1925	+	90,500,000
1926	−	10,300,000
1927	−	36,100,000
1928	+	5,000,000
1929	+	74,000,000
1930	+	97,000,000
1931	+	130,000,000
1932	+	222,000,000
1933	+	209,000,000
1934	+	122,000,000
1935	+	103,000,000

The Post hopes it will not be held responsible for all conclusions that over-anxious politicians might draw from these or other figures. There is room for honest political controversy in them. But they transcend in importance mere political controversy. They are a challenge to every citizen and every person holding any position of governmental responsibility.

They indicate how insupportable our debt burdens are becoming, and almost entirely through unsound governmental financial policies through all the post-war years, not simply these last few years.

They are a commentary upon platform discussions of public finance which start by criticizing some other party for wasting the people's substance or hanging a mill-stone of debt around the people's necks and then end up by promising vast new expenditures or policies that can be financed only by large increases in debts and taxes.

"P. R." VERSUS LANDSLIDES; ALBERTA'S EXAMPLE

THE comment of The Financial Post, made after the Alberta election, that proportional representation and the single transferable vote did not save Alberta from what was virtually a landslide, was not long in print before it started an argument. Sponsors of "P.R." rushed to the defence of their favorite electoral system. Now the Proportional Representation Society of England has come out with an analysis of the Alberta results, interpreting them as a strong argument for "P.R."

As most readers now know, Alberta used two different electoral systems. Six members in Calgary and six in Edmonton were elected by the system of proportional representation with the single transferable vote. The result of this was to elect four Social Credit candidates, one Liberal and one Conservative in Calgary and three Liberals, two Social Credit and one Conservative in Edmonton. This bore some close proportion to the relative number of votes cast, although the Labor and United Farmer candidates, who got but few votes, were able to elect no representatives.

Elsewhere in the province there were only single member constituencies where the voters were able to name their candidates in order of preference. This seems to have had no effect on the result for 50 Social Credit candidates and one Liberal were elected. The United Farmers, the Conservatives and other candidates, who polled a substantial proportion of the votes, elected not a single one.

From the results it is argued that proportional representation worked exceedingly well in the multi-member constituencies but that giving the electors a chance to name their candidates in order of preference meant little where there was to be only a single member to each constituency.

The results in the two city constituencies, when contrasted with the landslide results in British Columbia, Prince Edward Island, Saskatchewan, Ontario and rural Alberta will give some encouragement to those who feel that different groups in the electorate should be represented according to their numbers.

In actual practice it has always worked out better, under Anglo-Saxon democracy, to have two strong parties, one in power and one in opposition. But if the result of the breaking up of the old parties is to be landslides for groups that control no more than a bare majority of the total votes, then the case for "P.R." will distinctly be strengthened.

It may be that under more normal conditions there will be a return to the two party system with keen, close fights in all constituencies. This would be preferable to government by the coalition of groups, with all the attendant log-rolling and the numerous changes of cabinets such as are experienced in France and other European countries not under dictatorship.

If it came down to a choice between "P.R." and the two party system, as it formerly worked, most Canadians would prefer the two party system. But if it came down to a choice between "P.R." and government by landslides, then Canadians would give serious consideration to proportional representation.

A HOVEL FOR WORKERS

RECENTLY Regina sold three old street cars no longer in use. They were bought for $100 and newspaper reports have it that they are to be moved into the Viceroy district to be used as bunk houses for coal miners.

Occasionally one sees old box cars converted into shabby but habitable homes for settlers in the north country. If used temporarily while the pioneer folk are getting their start in life and preparing for the erection of a proper home, the box car is not without some social value.

But one does not like to hear of coal miners being bunked in old street cars, even if the old street cars are rebuilt.

Surely the production of coal in Saskatchewan is not so uneconomic a proposition that the miners have to live in such hovels.

A fourth car, which was sold a short time ago, was moved to a farm near Watrous where it is to be used as a chicken house. A street car may be good enough for Canadian poultry but the average citizen will feel that it is not good enough for Canadian workmen. Most people will ask what is wrong in the present instance that such a condition should prevail.

ABSURD AND UNTRUE

THE interests of the wheat grower and the interests of the milling interests are as wide apart as the poles." Thus speaks the Winnipeg Tribune in a leading editorial, warning western farmers to beware of the addresses of a well-known milling man in the present political campaign.

"Down with the middle man" was a popular political rallying cry in rural districts 25 years ago. With a better understanding of the importance of each cog in modern marketing machinery, this sort of thing, fortunately, has largely disappeared.

Millers' and grain growers' interests are almost identical. Prosperity of both depends on wheat. Both suffer when wheat prices fall. Both suffer when the quality of the Canadian wheat crop is not up to standard. Both are absolutely dependent on as free an export market as possible for Canadian wheat either as wheat or in the form of flour. While the miller rather than the grower appeared to suffer most from the recent artificial level at which Canadian prices were maintained up to a few weeks ago, both will eventually pay the same price for any export markets lost as a result of those artificial levels.

The Winnipeg Tribune would not have been a whit more absurd had it stated that its interests and those of its readers were "as wide apart as the poles."

Such attempts to arouse class against class, producers against merchandisers, West against East are bad enough on the political platform but in a great daily newspaper they are inexcusable.

AN ABLE BANKER RETIRES

CANADA loses the active services of a fine citizen and an able banker in the retirement of J. W. Spears, assistant general manager at Winnipeg for the Bank of Montreal.

Born and educated in Scotland, John Spears learned his banking A.B.C.'s there before coming to Canada in 1906 to join the former Bank of British North America, which was later taken over by the Bank of Montreal.

The tragedy of Mr. Spears' retirement is that he is but 53 years of age—actually only three years older than the man who will succeed him. Over-work and strain are largely responsible for this early retirement. They have been the cause of similar and more disastrous breakdowns in the lives of scores of leading citizens in recent years.

The Winnipeg Tribune remarked last week:

> "It is one of the tragedies of these strenuous times that the effective lives of business men are rudely shortened by impairment of health.
>
> "Not only among the many who are under the harrow but in those positions of fancied opulence and security, the problems incidental to an upset world are levying their demands and taking their human toll."

Mr. Spears is planning to take up residence in the East. Perhaps this change of atmosphere and a chance to rest will enable Mr. Spears to find another useful field of service for Canada in some area of public life.

Post-Scripts

CANADA'S greatest exponent of the art of graphology is dead but he left a few disciples to carry on his traditions in a more or less dilettante manner. Graphology is, of course, the reading of character and abilities in handwriting. The uncanny manner in which F. D. Jacob penetrated through the fog of physical and intellectual superficialities to the inner personality and character of those studied was enough to convince many people that he was no mere craftsman, no artist, but a true scientist.

Recently we sent a sample of the handwriting of one of Canada's most interesting characters to a Montreal business man who was a student of Mr. Jacobs. This is what he read in it:

"Re the handwriting of Premier Aberhart of Alberta. His chief characteristic is a shining honesty. There is no questioning the man's sincerity. He wants to serve. Because he looks for the best in others he expects to be trusted in turn.

"And because he believes in his objectives he will believe sincerely in the practical application of his ideas, long after they give evidence of not working out in this practical world, I imagine.

"Plenty of idealism in the hand. A naturally social person, inclined to talk a bit too much. It does seem to me that it is a mind that will do some second-hand thinking when up against an intricate business or financial problem."

This was interesting as far as it went, but we asked the amateur graphologist to define what he meant by "second-hand thinking." This, perhaps, was a mistake for in addition to a definition of the phrase we got a philosophical argument. But even it is pointed enough to justify publication:

"I would define second-hand thinking to mean he will be forced to seek someone else's guidance—but whose?

"The traditional banker will advise the return to the principles that experience has proven to be best under the present system.

"His friend, Father Coughlin, will counsel some policy of hopeful planning.

"But Father Coughlin is in a better position than Aberhart, for the former is on the sidelines and Aberhart is bang up against the practical problem of leadership. He is the fountain head. But if his spring of ideas dries up will that eternal spring, the one of faith and hope serve him? Can this modern Moses strike the rock and quench the practical thirst of his wilderness flock.

"Moses never reached the promised land. He only saw it from the borderland. But his example of faith has been a lesson and an inspiration to countless thousands down through the centuries.

"Who knows but what Aberhart's having tried and failed may yet be a forerunner of some better and more workable system yet to come."

Sayings of the Week

"War is a gamble in human happiness."—*Beni Prasad.*

• • •

"Perhaps Mark Twain's advice was pretty sound. When in doubt, tell the truth."—*Joseph Jastrow.*

• • •

"I've always maintained that the lack of money never hurt anyone as long as he could stay above the comfort line."—*Sinclair Lewis.*

• • •

"Liberty never dies from direct attack; liberty dies from the encroachment and disregard of its safeguards."—*Hon. Herbert Hoover.*

• • •

"No fact is received as truth until the percipient has conformed and colored it to suit his preferences."—*James Branch Cabell.*

• • •

"All share-the-wealth programmes are misnamed. They really should be called steal-the-wealth programmes.—*Nicholas Murray Butler.*

• • •

"Not in generations has there been a greater exploitation of the myth of inferior races and peoples than there is at present."—*Harry Elmer Barnes.*

• • •

"Many of us still appear to believe that we live in a kind of economic fairyland where cake can be eaten and also kept."—*Rexford G. Tugwell.*

• • •

"We cannot get on by sponging and clinging to others all the time. We must stand on our own feet and make our own destiny." — *Stephen Leacock.*

• • •

"No man with $5 billions to spend can help being re-elected. Give me $5 billions and I will elect a Chinaman president."—*General Smedley D. Butler.*

• • •

"The development of moving pictures has saved more than one government by offering imaginary adventures to those who lack the real thing."—*Andre Maurois.*

• • •

"When a politician professes himself ready to perform miracles, if given absolute power, there is no question about it: he does not understand the art of governing."—*Guglielmo Ferrero.*

• • •

"Nature looks through the experience of a million years; we look through the experience of a few minutes. Personally I prefer to trust her."—*Dr. George B. Cutten, president, Colgate University.*

• • •

"Any brain-trust plan should be submitted to this test: Is it perfectly logical? If it is, it should be an object of suspicion. For the human race is not logical; it is a collection of delightfully absurd beings."—*Bruce Barton.*

The World at Large

British Agriculture

Tariff on Imports May Follow Expiration Ottawa Agreements

By JOHN A. STEVENSON

Hon. Walter Elliot's programme for the rehabilitation of British agriculture is still a subject of constant controversy. Because of its implications it is of paramount importance to Canada and the other Dominions which are at present enjoying substantial quotas and other concessions in the great British food market. Mr. Elliot is credited with being an able and enterprising politician. He became Minister of Agriculture under Ramsay Macdonald and has been continued in this office by the present government.

Too Much Milk

One of the fundamental objectives of the programme has been to improve the position of the dairy farmers. The latter constitute the preponderating element in the agricultural population. For the purpose there was evolved a milk marketing scheme which has now been in operation almost two years. Its aim was to organize the production and marketing of milk on a basis which would secure adequate returns to producers without unduly penalizing the consumers. It has succeeded in bringing about a large increase in the domestic production of milk. But the price of milk to the consumer has also been seriously raised, a fact which the Labor party has not been slow to exploit. The increase in price has had the inevitable effect of cutting down consumption. Special efforts to get rid of some of the surplus milk have not prevented a glut. The hope had been entertained that this surplus of raw milk would be utilized in the manufacture of butter and cheese but imports of these have been increasing steadily and prices have been falling.

Want Dairy Tariff

The Milk Board has now to meet a running fire of bitter complaint about the disastrous effects of foreign competition in butter and cheese. As a result there has arisen a widespread demand on the part of the dairy interests for further protection either by a tariff or quota on imports of the manufactured products of milk.

The butter import situation, in which New Zealand, Australia and Denmark are the most interested parties is shown in the following table compiled by the Imperial Economic Committee:

British Butter Situation

Year	Total Imports (000 cwts.)	Percentages from Empire	Prices (per cwt.) s.	d.
1929	6,397	41.5	173	9
1930	6,822	45.0	131	3
1931	8,060	49.5	114	6
1932	8,364	51.8	103	0
1933	8,832	52.8	82	6
1934	9,703	54.4	73	3

As a result of the lower prices consumption has increased from 18.7 pounds per capita in 1930 to 25.2 in 1934. But although prices of butter have risen during 1935 they are still much too low to satisfy either the British dairy farmer or his overseas competitors. Overtures have recently been made by the Danish Government to Australia and New Zealand for a conference to discuss plans of co-operation for the control of the international market presumably with a view to securing some increase in prices. This, it is believed, would help the British dairyman and thereby fend off the urgent demands of the latter for tariff protection against all overseas imports.

Big Cheese Stake

While Canada, until very recently was uninterested in butter exports it is interested in the British cheese market. The Imperial Economic Committee estimates that the British domestic production of cheese showed no appreciable variation between 1931 and 1934 and amounted in each of these years to roughly about one million cwts., which has been approximately one fourth of the annual consumption. Therefore the domestic production of cheese is relatively more important than that of butter.

But, while the domestic output has remained stationary, there has not been as in the case of butter any serious increase in the imports of cheese which as the following figures show, have remained fairly constant around three million cwts. per annum.

British Cheese Situation

Year	Imports ('000 cwts.) From N.Z.	From Canada	Total Imports	Prices (per cwt.) Can. White s.	d.
1929	1,801	723	2,994	104	9
1930	1,961	678	3,112	90	6
1931	1,733	707	2,896	72	0
1932	1,849	747	3,003	69	0
1933	2,059	630	3,040	61	0
1934	2,092	520	2,989	54	6

These figures show that imports from New Zealand have been rising steadily since 1930 and now account for 70 per cent of the total and that imports from Canada have been declining to a proportionately greater degree. Supplies sent from Australia are still relatively small but they have been increasing. Cheese imports from the Dominions enter free but there is a duty of 15 per cent ad valorem on foreign exports.

During the past six years to 1934 there has been a gradual decline in the prices realized but recently the movement has been checked.

British Producers Dissatisfied

British producers of cheese are very dissatisfied. It remains to be seen whether, with a general election looming, the Baldwin Government which must hold its rural seats if it is to retain its majority, will be able to resist the pressure for restrictions on Dominion imports when the butter-cheese provisions of the Ottawa agreements expire in November.

The rising figures for the per capita consumption of butter show that low prices and a heavy inflow of imports mean a rising standard of living and the Government may hesitate before it tries to interfere with this desirable tendency. All the influence of the manufacturing interests which support the Conservative party will be exercised to prevent a tariff on such basic foodstuffs lest it may lead to demands for higher wages. In addition the views of the different Dominion Governments will have to be taken into consideration in framing any new policy.

In the Mail

Compulsory Thrift

Editor, The Financial Post:

The Financial Post seems very perturbed over the proposal of Mr. Bennett that, in the event of his party being returned to power, he will retire 120,000 men of the age of 60 or over, thus making jobs for 120,000 young men at present unemployed.

The enclosed clipping of an insurance company's advertisement will help to illustrate how this might be done. If every person starting to work at the age of 16 or thereabouts were required to pay a tax to be applied to retirement insurance, then, at the age of 60 he could retire and live the balance of his life in comfort. If 1,000,000 of our 10,000,000 population or one in ten were to pay $100 per year that would be $100,000,000. With this sum of money a provision could be made for 120,000 men and also for the million contributors. Immediately a lot of objections spring to mind particularly the compulsion side. But those of us who are now employed are compelled to pay for the relief of those unemployed and their dependents, a condition which ensures the army of employed decreasing and the army of unemployed increasing.

FRANK MORAN.

Fort William, Ont.

Other People's Views

How to Say It

Calgary Herald

The Ethiopian Legation in London has issued the following instructions on pronouncing names now appearing frequently in the news: Addis Ababa is "Ah-dees Ah-bah-bah," Haile Selassie is "High-leh Sil-loss-see," Lake Tsana is "Sah-nah," Adowa is "Ahduwah," Jigjigga is "Gee-gee-gah," Ogaden is "Oo-gah-den."

As Others See Us

Newfoundland Urges Fair Treatment

Daily News, St. John's, Newfoundland

The Financial Post of Toronto finds it so remarkable that Newfoundland should now be getting "some excellent publicity in leading Canadian newspapers" that it has published an editorial about it.

The Post goes on to say: "Canada and Newfoundland have been bound by many ties for countless years. But there is room for much closer relationship in trade and commerce between the two countries."

These are sentiments with which we heartily concur but while we appreciate favorable publicity given Newfoundland by the Canadian press we feel also that we are entitled to something more tangible from the Canadian Government.

For one thing we see no reason why Newfoundlanders holding Canadian securities should have to pay the tax on dividends. The earnings of all companies are taxed at the source and it is decidedly unfair that investors in this country also have to pay the Canadian Government an additional tax upon the interest derived from their investments.

Even poor journalists cannot escape the grasping hand of the Ottawa taxation artists who have lately been taking five per cent of the earnings of foreign correspondents of Canadian newspapers. Adjustment of such unfair taxes and some reasonable consideration for the Cabot Strait service subsidy would go far towards solidifying those friendly relations that The Post so earnestly desires.

Aberhart's Whirligig

Hamilton Review

The heart of the Aberhart scheme is a credit whirligig says The Financial Post.

Mr. Aberhart estimates that it would require an issue of $10,000,000 of credit notes to pay one month's dividends. This, he thinks, would boom business so much that turnover taxes would yield the same amount to the provincial treasury in a month. Then, with the next month's dividend, it would start all over again.

This scheme seemingly makes no allowance for the fact that some people would be accumulating credits. They would have to be paid.

The proof of this is the experience of the little town of Vermilion, Alberta, which tried a scrip issue scheme. The town paid accounts and wages in scrip. It speedily got into merchants' hands. They used it to pay taxes. But after the taxes were paid, merchants still had accumulated scrip in their possession. Their customers refused to take it even as small change. The town had to redeem it—and in cash, please mark.

Will this happen to Alberta if the Aberhart credit notes are ever issued? Three thousand years of economic history say it is what should happen. If economic history indulged in the awkward habit of repeating itself, Alberta might find itself not with ten million, but with tens of millions of dollars in credits to redeem in cash.

Stop Me If You've Heard This One

Two old settlers, confirmed bachelors, sat in the backwoods. The conversation drifted from politics and finally got around to cooking.

"I got one o' them cookery books once, but I never could do nothing with it."

"Too much fancy work in it, eh?"

"You've said it. Every one o' them recipes began the same way: "Take a clean dish——, and that settled me."

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Wage-earners in Canada are finding more jobs.

You might not think so by watching relief rolls and costs, but if you would search out the good news, analyze the figures prepared and tabulated each month by the Dominion Bureau of Statistics. This bureau receives returns monthly from over 9,000 business firms which employ normally almost a million workers or about 45 per cent of the total industrial working force of Canada.

Assuming this "sample" is still proportionately the same, what do we find? In short that there are now about 2,770,000 people back at work, a gain of 4 per cent or 115,000 compared with the same month a year ago. Compared with the autumn of 1932 this means employment at the present time for 460,000 more wage-earners.

• • •

Among the sixty different industrial groups which comprise these figures, two in particular stand out like mountain tops. One is silk firms; the other metal mining. For instance, silk plants are now employing 5¼ men for every one they employed in the so-called "normal" year, 1926. They have two men employed for every one in 1931.

And the new figures show that the "metal mines" — as apart from coal mining and non-metallic minerals — have now doubled their staffs compared with the low point of the depression; are employing 23 per cent more men than at this time a year ago, and reached a new record level of employment on Sept. 1.

Two important groups show smaller employment than at this time last year. Logging camps are seasonally quiet and employing 9 per cent less than a year ago, but are looking forward to an active season in the bush for 1935-36. Construction is 6 per cent less active than at this time a year ago due to considerably less work on the highways. Building and railway construction are ahead of this time last year.

Business Indicators

Changes of the Week

(Compared with the same period last year).

Favorable:

Car loadings, weekly rail earnings, The Financial Post business index, pig iron production, steel ingot and casting production, automobile exports, newsprint exports, employment, electric power output, rubber imports.

Unfavorable:

Bank debits, automobile output and sales, Dominion government weekly business index.

* * * *

Bank debits—Although the August total was slightly under that of 1934, there was an increase of more than five per cent, after seasonal adjustment, from the previous month. Gains were registered in both comparisons in all areas but Ontario and Quebec. The percentage of bank debits to deposits in Canada was 126.1, compared with 135.9 in the corresponding month a year ago.

Iron and Steel—Greater output of foundry and malleable iron was chiefly responsible for an increase of almost eight per cent in pig iron production over July. Steel production was lower than the previous month for the first time since February. Iron and steel markets were less active during the month, influenced in part by a lull in the automotive trades. Rolling mill business was steadier than in other sections of the industry, although machine and steel requirements from mines continued in fair volume.

Electric Power—August output of power set a new all-time peak record. Exports to the United States were also up to the highest point since early in 1931. Deliveries to electric boilers fell off from the previous month, but were well above last year's figures.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1935	1934	—Cumulative Total— Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Sept. 21)	▲56,018	51,610	1,660,982	1,648,663
C.P.R. gross earn. (Sept. 21)	$ ▲3,225,000	$ 2,918,000	$ 87,224,000	$ 87,467,000
C.N.R. gross earn. (Sept. 21)	$ ▲3,905,367	$ 3,684,809	$ 119,984,139	$ 117,489,712
Business Conditions—				
Weekly index D.B.S. (Sept. 21)	▲95.1	98.7	......	......
MONTHLY DATA				
Business Conditions—	1935	1934	1935	1934
Financial Post index (Aug.)	▲104.2	98.3	......	......
Transportation—				
C.P.R. net earnings (Aug.)	$ ▲508,339	$ 1,070,633	$ 8,096,540	$ 10,636,527
C.N.R. net revenue (Aug.)	$ ▲572,547	$ 65,276	$ 3,872,993	$ 5,132,262
Iron and Steel (Aug.)—				
Pig iron production (tons)	▲54,414	41,485	364,704	236,071
Steel ingots and castings prod. (tons)	▲82,488	63,504	556,752	527,673
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Aug.)	▲3,941	4,042	66,923	53,648
Factory output (Aug.)	▲5,524	7,325	105,322	82,816
Trucks and Buses:				
Domestic sales* (Aug.)	▲1,412	1,220	13,525	9,105
Factory output (Aug.)	▲2,168	2,579	26,705	20,286
Exports (Aug.)	▲6,009	3,567	44,692	34,076
Construction—				
Building permits (Aug.)	$ 4,292,058	$ 3,764,425	$ 33,188,253	$ 17,433,272
Contracts awarded (Aug.)	$ 23,837,400	$ 13,548,900	$ 117,981,100	$ 85,651,100
Newsprint (tons)—				
Production (Aug.)	235,573	216,164	1,754,742	1,686,055
Exports (Aug.)	▲220,866	183,922	1,603,875	1,537,220
Sugar (lb.)—				
Melting & shipments§	74,223,266	91,063,904	556,294,119	513,191,653
Manufactured§	71,183,208	88,679,472	550,624,612	500,128,185
Flour (bbls.)—				
Production (July)	992,340	1,072,747	7,128,448	7,673,418
Wheat flour exports (July)	395,232	408,028	2,638,217	2,941,639
Trade (August)—				
Imports	$ 49,560,063	$ 43,507,331	$ 358,346,853	$ 335,041,690
Exports	$ 70,737,836	$ 55,249,375	$ 427,242,172	$ 401,029,549
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (Sept. 1)	▲102.7	98.8	......	......
Manufacturing	▲100.8	94.3	......	......
Electric Power Output (Aug.)—				
Total monthly (000's omitted)	▲1,851,130	1,676,866	15,022,764	13,672,563
Aver. daily	▲59,714,000	54,092,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (Aug.)	164,452	135,135	853,543	902,794
Boot & shoe prod., pr. (July)	1,728,192	1,333,807	12,392,432	10,641,179
Crude petrol., imp. gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,280,941	80,964,630	80,905,086
Raw rubber imp., lb. (Aug.)	▲6,303,645	4,363,165	39,198,212	40,786,032
Coal imports, tons (July)	1,432,749	1,545,787	6,578,735	6,746,709
Finance—				
Bank debits (Aug.)†	$ ▲2,497,662	$ 2,533,455	$ 20,258,840	$ 20,743,567
Bond sales (July)	$ 62,407,223	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (Aug.)	$ 26,854,000	$ 26,659,000	$ 240,566,000	$ 248,695,000
Automobile Financing—				
Used cars (July)	$ 2,109,499	$ 1,714,419	$ 13,582,085	$ 8,725,391
New cars (July)	$ 2,531,943	$ 1,910,377	$ 16,664,529	$ 11,550,351

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Sept. 7.

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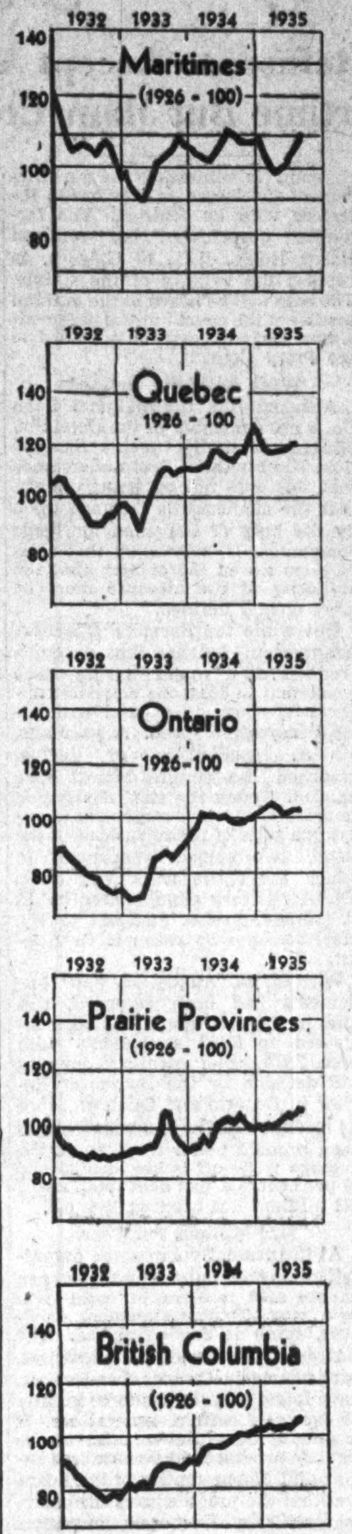
August Business Has General Rise



Ontario Only Province To Show Business Lag

August Improvement in Four Areas Marked by Gains in Employment, Construction and Power — Trade Helps Coastal Provinces

August business improvement was evident in all parts of Canada, with the exception of Ontario. And in that province activity was practically maintained. Gains were most marked in the coastal provinces, smaller gains being recorded in Quebec and the Prairies.

Most of the advances for the month can be attributed to an excellent showing in employment. The adjusted index of manufacturing employment, but slightly affected by variations of the number of persons on relief projects, has shown a steady advance since early in 1933. At the beginning of September employment was the highest for any month since May, 1931.

Other influential favorable factors were construction contracts and permits, electric power output and, apart from Ontario and Quebec, bank debits. On the other hand, life insurance sales declined from the relatively high July level in all five areas.

Maritimes Continue Gain

In the Maritimes substantial gains have been made in the last four months. As a result, the standing in August was almost as high as in any month since early 1932. Contra seasonal trade improvement played an important part in the general advance. Activity in coal and iron and steel production is holding up well: The Dominion Coal Co. employed 8,000 men at Glace Bay and vicinity during the month, and Dominion Iron and Steel Co. continued in active operation with an average force of 2,704 men. Drought and blight have reduced the potato crop to one of the lowest in years, the prospect being for higher prices.

While the index for Quebec has receded from the levels of earlier this year, the average for the eight months is greater than in the same period of any year since 1930. In spite of losses in manufacture of boots and shoes, imports of raw cotton, bank debits and life insurance sales, a small gain was registered in August.

Ontario Slightly Lower

Ontario's insignificant loss in the month arose mainly from declines in livestock slaughterings, indicating the trend in the meat packing industry, output of steel ingots, and the financial factors, bank debits and life insurance sales. The decline in construction contracts was greater than seasonal, although building permits showed a marked increase. Automobile production, of course, was partially suspended pending the introduction of new models.

Continuing the upward trend begun early this year, business in the Prairie Provinces was higher in August than in any month since 1931. Much of the betterment is due to the increase in wheat prices, an unseasonal development. Grain receipts at country elevators were lower than the usual increase from the previous month would have indicated. Bank debits, after seasonal adjustment, rose more than 30 per cent.

British Columbia Active

Advance in British Columbia's business activity has been fairly consistent since the fall of 1932, with more pronounced gains in the past two months. Improved export business proved of real help; the increase for the month was over 20 per cent. Imports, however, declined. contrary to seasonal tendencies. The gain in tonnage of vessels clearing from Vancouver was nearly three per cent.

Business Indicators in Economic Areas

	August 1935	Change from August 1934 %
Maritimes		
Construction cont....$	2,973,000	+ 19.3
Building permits....$	998,000	+718.0
Life ins. sales.......$	1,895,000	— 5.7
Bank debits ....$	48,500,000	+ 5.0
Electric power ..kw.h.	49,761,000	— 0.8
Employm't ..1926=100	107.0	+ 5.1
Exports ....$	4,568,476	+ 19.8
Imports ....$	2,617,974	+ 7.6
Index	110.6	— 0.5
Quebec		
Construction cont....$	11,314,000	+130.4
Building permits ...$	331,000	— 65.7
Life ins. sales ....$	8,552,000	+ 5.6
Bank debits ....$	677,000,000	— 2.5
Electric pwr....kw.h.	1,003,760,000	+ 10.2
Employm't ..1926=100	99.3	+ 4.1
Raw cotton ..Imp. lb.	7,027,396	— 17.7
Newsprint prod...tons	235,573	+ 9.0
Index	120.9	+ 3.5
Ontario		
Construction cont....$	6,763,000	+ 60.4
Building permits.....$	2,325,000	+ 36.0
Life ins. sales........$	10,841,000	+ 1.1
Bank debits ....$	992,000,000	— 9.7
Electric power..kw.h.	329,592,000	+ 12.1
Employm't ..1926=100	104.6	+ 1.3
Livestock slaughter 1926=100	118.9	+ 3.0
Steel production..tons	82,488	+ 29.9
Automobile prod...No.	7,692	— 22.3
Index	102.9	+ 3.4
Prairie Provinces		
Construction cont....$	1,327,000	— 8.4
Building permits ...$	253,000	— 10.0
Life ins. sales ....$	3,341,000	— 5.1
Bank debits ....$	638,000,000	+ 15.0
Electric power..kw.h.	107,891,000	+ 16.2
Employm't ..1926=100	100.5	+ 8.2
Wheat receipts..bush.	12,494,000	— 59.4
Wheat prices, $ per bu.	.845	— 1.7
Index	103.8	+ 5.6
British Columbia		
Construction cont. ..$	1,451,000	+218.2
Building permits.....$	387,000	+ 98.4
Life ins. sales ....$	2,010,000	+ 0.3
Bank debits ....$	141,800,000	+ 0.4
Electric power..kw.h.	129,865,000	+ 6.5
Employm't ..1926=100	108.0	+ 12.3
Imports ....$	3,593,646	— 6.8
Exports ....$	11,474,908	+ 15.7
Tonnage cleared	1,182,793	— 3.9
Index	108.5	+ 7.7

Background of Business

Canners Puzzled

But Expect No Price Cutting—Independent Stores Gain

Entrance into the Canadian canned food field of Continental Can Inc. of the United States is causing considerable speculation among canners and large distributors.

Continental is a big concern whose stock at present prices has a value on the New York Exchange of some $200,000,000. It has huge capital behind it and since it now controls Associated Quality Canners Ltd., the latter is likely to become a much bigger factor in the canned food business in this country.

Canadian Canners Ltd. is, of course, the chief competitor. The latter company has been doing the bulk of the canning business here for many years. What effect the coming into the picture of Continental will have on this firm's business remains to be seen. Some observers believe that with strong financial backing, Associated may now do some pace-setting in the Canadian field and become a vital if not dominant factor in determination of prices and policies.

• • •

This year there are shortages in both canned vegetables and fruits and there is also apparently a definite desire on the part of canners to get away from keen price competition and make some money. It would seem that for the present at least there is not much of an opportunity for a price war among the various canners which would tend to lower net profits.

Associated Quality Canners Ltd. has usually adopted the policy of refusing to sell goods at less than factory and sales costs, and, as the personnel of the management under Continental remains the same, may be expected to continue that policy in the future. Prices are stiffening, particularly for tomatoes (which have been a football among canners for the past two or three years) and canners are not at the moment fearing any drastic price-slashing.

Crosse and Blackwell (Canada) Ltd. is not a factor to be reckoned with this year as it was last, and throughout the past spring and summer when the balance of its stocks, including soups, ketchup, tomato juice, jams and marmalades was thrown on the market at reduced quotations. All of these lines are produced by Canadian Canners Ltd. and all but soups by Associated.

• • •

Independents' Position Improved

Manufacturers in various lines report greatly improved conditions among independent retailers. They indicate an increasing proportion of their merchandise being marketed through such merchants.

A glove manufacturer tells us he finds a great many new independent stores opening up throughout the country, with attractive store fronts, well-assorted stocks, high-grade display, and prices which give them every hope of meeting any competition. He says credit conditions among the independents have greatly improved of late and that curtailing of these financial responsibilities to particular suppliers has left these merchants freer to exercise a wider choice in their purchasing than has been the case for the last few years.

Extension of independent retailing services and improvement in the independent's credit standing is resulting in a larger proportion of total retail business going through that channel. Also recent figures showing declines in sales volume by a number of the chain drug, food and variety stores reflect a distinctly opposite trend to that recorded by many independent merchants and by voluntary buying groups.

• • •

Dollar Shirt Doomed

Leading shirt makers in Canada have introduced several lines of better grade shirts priced from $4 to $8. Most firms have always had such shirts in their ranges but they were seldom made for stock. They simply kept samples on hand and made up the goods for special order business.

Last month, these shirts were made for stock and considerable promotion is being done on them. Manufacturers believe that the shirt industry is definitely on the way up. The popularity of the dollar shirt is waning while six and seven dollar shirts are receiving a better sale.

• • •

Where Beer Money Goes

At a meeting of the Hotel Association of Ontario, Arnold Smith, deputy commissioner of the Liquor Control Board of the province reported results of a questionnaire sent out to all authority holding hotels at the request of the board, enquiring as to the amount of money put into circulation as result of the changed system of liquor dispensing.

Sent to over 1,000 hotels, the report covered only 365 of them representing 11,958 guest rooms. From July, 1934, to July, 1935, refurnishing and modernization took $1,627,241, with an estimated additional expenditure for the balance of 1935 of $533,283. There was an increase of 1,744 in number of employees, with an added annual payroll of $1,006,347, making the total wage bill for Ontario hotels $2,698,896. Municipal taxes paid amounted to $624,402.

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August Newsprint Sales Show Gain Over Last Year

From Our Own Correspondent

MONTREAL.—Exports of paper products from Canada last August showed an increase of approximately 20 per cent over that reported for the same month a year ago. According to the Dominion Bureau of Statistics the value of exports in August, 1935, was $8.1 millions, as against $6.8 millions in August, 1934.

Newsprint exports were valued at nearly $7.6 millions compared with exports worth $6.4 millions in August a year ago.

Exports of wood pulp and screenings last August totalled $2.3 millions, compared with $2.2 millions in the same month last year.

Expand Salt Well

Manitoba's first producing salt well, established two years ago at Neepawa, is now being enlarged.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.35	$7.10	$5.00
Hogs	9.50	10.00	8.50
Copper, lb.	.09	.09	.09
Cotton, lb.	.1075	.1080	.1270
Rubber, lb.	.1181	.1148	.1482
Sugar, raw, lb. ...	.0360	.0345	.0295
Silk, lb.	2.03	1.92	1.22½
Wheat (Man.) bus.	.90⅝	.93½	.81⅝
Coffee, lb.	.08¾	.08⅝	.09⅝
Weekly Indices			
N. Y. Annalist	128.4	127.8	119.6
Fishers'	85.5	85.2	†80.2
N. Y. Journal of Comm.	81.4	81.2	77.3
Crumps (Brit.)	66.5	65.6	†68.4
U. S. Labor	81.0	80.8	77.5
Canada (D.B.S.) ...	72.7	72.7	72.3

† Average 1934.

Monthly Indices Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Aug.)	79.4	78.8	78.5
W'sale (Aug.)	71.8	71.5	72.2
U. S. Labor (Aug.) ..	80.5	79.4	77.5
Gt. Brit. (June)	68.1	68.6	65.3

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers: select bacons. Toronto.

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New Industries

Simms Foods, Ltd., Berwick, N.S., is increasing plant capacity from 200 to 300 barrels per day.

Ford Motor Co. of Canada, Windsor, will spend about $500,000 on an addition to the electric furnace foundry and new equipment.

Goblin Electric Cleaner Co., Ltd., a wholly-owned Canadian subsidiary of the British organization, has been announced by M. G. Langlois, president. Products of the parent company range from small household units to huge installations costing $50,000 and more a unit.

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Peat's Chances in Canada

Excessive Costs in Comparison with Coal and Crumbling Difficulties in Shipping Make Manufacture Doubtful—Equivalent to $20 Coal

By A. ANREP

Because the world is electrified by threats and rumors of wars it is natural that northern countries which have no coal resources are much concerned about fuel. Countries, therefore which are endowed in abundance with peat bogs, whether they are known to be suitable for fuel or not, become of national interest.

There may be an unforeseen possibility that the United States may be forced to cut short the exportation of coal, in which case it will vitally affect the centre of manufacturing in Canada. If this takes place, the first thing likely to happen is that all the available and known coal mines in the eastern and western provinces of Canada will be conscripted by the government, and the same may happen to the oil fields, to the forest and lignites as well as the peat bogs.

Peat varies tremendously in composition. In spite of the 37,000 square miles of peat bogs in Canada only a few are suitable for commercial purposes as, for instance, the manufacture of peat fuel, peat litter, or peat humus.

Larger Bogs in North

The larger bog areas are in the north. They are mostly shallow and have a surface growth of sphagnum moss. These bogs are more or less water-soaked the year round and spread rapidly. The peat in most of these bogs is young and raw and practically free from humification. It is unsuitable for commercial purposes and even if it were suitable, it is so far away from commercial centres that it would not be of any economic use. On the other hand, the bogs that are well known are scattered more conveniently in the populated areas. They may be classified in four grades:

Well Humified Peat

1. Well humified peat. When freshly dug, this type is of dark brown texture. After being exposed to the air, it turns black. It contains a large percentage of gelatinous matter and thus posseses high cohesive properties. This kind of peat when squeezed in the palm of the hand does not exude any water. Instead, a jelly oozes out between the fingers. It possesses high calorific value and has an ash content varying from four to eight per cent. This is an ideal peat for the manufacturing of fuel but unfortunately such bogs are rare in Canada.

Black Texture

2. Peat of black texture. Various bogs in Canada which are situated in woody hollows contain peat of black texture. When dug up and exposed to the air it crumples and is practically void of gelatinous substance, thus having no cohesive properties. Bogs of this kind are more or less shallow and have been affected by frost. They are unsuitable for the manufacture of peat fuel. However, if this kind of peat is found on the top of a marl deposit, which does not occur often, the decayed vegetable undergoes a change and becomes more flexible. Bogs of this kind are valuable as humus for soil conditioning. This kind of peat usually contains a high percentage of nitrogen.

Peat Moss Bogs

3. Peat moss bogs. A number of these bogs are to be found on the eastern coast following the Atlantic and on some parts of the western coast, the Pacific as well as in Alberta and following the shores toward the mouth of the St. Lawrence River.

The Truth About Peat

For over a generation peat has been a fruitful subject of discussion in Canada.

Whenever a strike threatens to cut off the supply of either British or American anthracite, peat resources come into the head lines. Elections often have the same result. Hints of war and high prices, regardless of costs, are also liable to bring mention of this practically unknown fuel in Canada.

But while there are peat bogs in this Dominion, plenty of them in fact, there are no commercial peat fuel manufacturing plants. The reasons, mostly excessive cost and shipping difficulties, are explained by A. Anrep, an experienced European engineer in the accompanying article.

Mr. Anrep followed the vocation of his father, who, as a peat specialist from Sweden, was instrumental in developing a peat output of four million tons annually near Moscow. In 1905 he conducted peat experiments in Great Britain and a few years later carried on the same work for the Dominion government at Alfred, Ontario. He was in charge of this investigation until 1932.

The peat in these bogs is composed of various sphagnum mosses. It is porous and light in texture and possesses absorption power varying from seven to 14 times its own weight. These bogs are valuable for the manufacture of peat litter, peat marl and insulating material. Over one million dollars worth of peat litter is imported annually by the United States alone and Canada's importation reaches the six-figure mark.

Too Young or Too Old

4. A great number of bogs are composed of various kinds of vegetable matter which is either too young or too old for the use of any of the above-mentioned purposes. However, it has been often mentioned that such peat can be used as fuel if briquetted. That is true, but the calorific values of such briquetted peat would be so low that it would require about 2½ tons to be equivalent in value to one ton of high-grade coal. Also, the weight of these briquettes in comparison with coal would be light. Therefore, considerable storage space would be required. For this reason it cannot be considered practicable.

Experience has shown that air-dried peat fuel can only be manufactured from peat which is highly humified and which contains high cohesive properties. Therefore, low grades of peat with a low calorific value are not likely to be suitable as fuel in any form.

Three Small Plants

The writer is unaware of any peat fuel being manufactured at present in Canada. However, there are three small peat litter plants which have created a commercial industry on a small capitalization. One of them is located on the Isle Verte, Quebec, another near New Westminster, B.C., and the third in the vicinity of Edmonton, Alta.

The factory on the Isle Verte is manufacturing peat litter in the form of bedding for poultry houses, cattle and horses, as well as humus retaining material for the incorporation of garden soils and also a peat moss for insulation purposes.

The factory near New Westminster is manufacturing mainly peat litter as bedding material for poultry houses.

The factory in the vicinity of Edmonton is manufacturing principally peat moss insulating boards for building purposes.

Pioneer Factories

All three of these factories may be considered pioneers in the peat moss industry. They have done much toward the development of the industry. They started on a small scale without government help. Although the production at present is comparatively small, there is a certainty that as the public becomes gradually educated to the value of these products, the output will increase accordingly.

There is also a company under formation for the manufacture of peat humus mixed with marl about 16 miles north of Hamilton, Ont., and it is expected to be in operation next summer.

Once Easy Money

About 30 years ago, money used to be easily raised for peat schemes.

After millions of dollars of public money had been lost on various kinds of peat inventions, Canadians branded any peat adventure as a wild-cat scheme. A prospective peat manufacturer could not afford to raise large capital for an untried system which may or may not prove practicable. If experiments are desired they should be done separately from the actual manufacturing routine and arranged so as not to interfere with the short working season in this country for the manufacturing of peat fuel. For this reason the ambition of every peat fuel manufacturer should be to produce the largest amount of fuel during the four summer months.

Bogs must be closely selected and, if possible, those which are situated in close proximity to industrial centres should be utilized (unfortunately such bogs are rare). The most important thing is that manufactured peat fuel cannot stand excessive transportation. As soon as it leaves the bog after being manufactured, its cost rises in leaps and bounds through each increasing mile it has to travel and be handled before it reaches the consumer.

The following table shows the cost of transportation by rail:

Rates for Shipment

Distance:	Freight rate per ton
Up to 10 miles	$1.10
Over 10 to 20 miles	1.20
Over 20 to 30 miles	1.40
Over 30 to 50 miles	1.70
Over 50 to 75 miles	1.80
Over 75 to 100 miles	2.10
Over 100 to 125 miles	2.30
Over 125 to 150 miles	2.80
Over 150 to 175 miles	3.10
Over 175 to 200 miles	3.30

(With additional charges for greater distances).

Must be Near Bogs

Peat fuel industry on a large scale can only be developed where the peat factories are built in the vicinity of the peat bogs.

In 1910 and 1911 the writer directed and operated a small government plant for the manufacture of peat fuel, according to the Anrep system. In spite of the capacity of this plant which was only 30 tons of air-dried peat per day and requiring a large number of unskilled laborers receiving approximately $1.50 to $2 per ten-hour day, it was estimated that fuel could be manufactured at $3 per ton, f.o.b. railway car, Alfred. Later, conditions changed materially and in the final report of the peat committee appointed jointly by the Dominion and the Province of Ontario by D. F. Haamel, it is stated:

Estimate $3.47 a Ton

"The total production cost of air-dried peat fuel is estimated to be $3.47 per ton. This estimate is based on the assumption that the plant of the type recommended with an average production of 10 tons per hour . . . conditions in other respects being similar to those met with in actual operation at Alfred . . . be installed."

H. G. Acres, in his report on "Status of Peat Fuel Industry," states:

"That the cost of briquetted peat fuel according to the Peco-Gram system at the Kaas factory, Denmark, should not be more than $4.57 per short ton f.o.b, factory."

Supposing a good peat fuel available at a fixed price of $4 which would be an approximate price between the two above-mentioned, the following will demonstrate the cost of fuel to the consumer in either cities or towns:

	Approx. cost per short ton
Manufactured peat at bog	$4.00
Loading	.60
Freight rate, 60 miles	1.70
Commissions advertising, etc.	1.50
Delivery & storage	2.00
Unforseen expenses & waste	1.50
Total cost to consumer within 60 miles	$11.30

Note:—1-4/5 tons of peat equals 1 ton anthracite coal.

Cost $20.34 Per 1 4/5 Tons

Assuming that a careful calculation is applied and that 1 4/5 of a ton of air-dried fuel containing not more than 30 per cent of moisture with the above-mentioned heat units, would be equivalent to one ton of Anthracite, the cost of the peat will be $20.34.

The above demonstrates clearly that the cost of transportation and handling of the peat must be practically eliminated before the peat could compete with cheaper grades of coal. It can also be clearly seen that so long as coal is available in Canada at the present rate, peat which has to be transported and handled will never be able to compete with it in cities or towns. The essential reasons for that are as follows:

1. Its high cost before reaching the consumer.

2. Air-dried machine peat fuel requires greater storage space than coal. From practical experience derived at Alfred, it was found that manufactured peat fuel contained 30 per cent of moisture and had a specific gravity of about 0.9 occupied when piled, about 1¾ times as much space as an equal quantity of anthracite.

3. It requires greater attention in firing and stoking.

4. It has a tendency when fired in large quantities to glaze the interiors of ordinary constructed furnaces and chimneys with a tarry substance which eventually permeates the houses with disagreeable fumes and odors.

On Smaller Scale

Since such a development in the peat fuel industry will take considerable time, there is no reason why peat fuel industry on a smaller scale according to local needs should not be developed. This peat fuel could be sold on the spot for local consumption and used in Quebec heaters, cooking stoves and fireplaces, also other contrivances which are not used for heating extensive spaces unless special furnaces are constructed which will supply perfect combustion.

Peat is a most admirable form of fuel for use in fireplaces. If properly dried, it is easy to ignite. The combustion is perfect as it burns down to the finest ash, having no solid particles. If the fireplaces are properly filled, peat throws a tremendous heat. The manufacture of peat fuel for fireplaces does not alter the cost of manufacture but I think it would compete favorably in large cities with the cost of wood.

Benefits Threefold

If the above scheme should be applied the country will derive a threefold benefit:

1. Utilization of peat fuel, peat litter and humus from native resources.

2. Creation of a new industry which would be a vital problem of Canadian life and give work to unemployed.

3. The building up of a rural life which would take away the surplus population from overcrowded cities as well as create individual interests and improve the country life in Canada.

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Legal Tangles Probable Over New Discount Law

Interpretation and Application of New Act Open to Doubt, It Is Felt — Court Decisions Likely on Debatable Points — Buyers Act Warily

Legal decisions will be necessary to clear up a number of problems connected with the new discount law, in the opinion of W. S. Morden, K.C., president of the Canadian Manufacturers' Association. The constitutionality of the Act itself is doubted by a number of legal men, he stated in a recent speech, reported by Hardware and Metal, Toronto.

Both interpretation and application of the new Act are open to considerable doubt, it is felt, particularly in respect to the clause which imposes penalties for participating in any transaction of sale which discriminates against competitors of the purchaser by allowing him special discounts, rebates or allowances on the same quantity of the same quality goods.

Who is Competitor?

The question arises: Who is a competitor? A merchant in a small town may have as his competitor not another local merchant, but one in a county town or nearby city. How broad an interpretation will be placed on this word?

Then, take the case of a manufacturer who shipped a $1,000 order of his chief product and at the request of the buyer included $5 worth of some other article. Would it be fair to charge as much for the small article as if it were being shipped to another retailer without the larger order?

Several hypothetical instances were discussed by Mr. Morden. In one, only two merchants in town carry the same article. A manufacturer sells his products to one at a certain price. He cannot sell the second merchant at a better price, according to law. There is nothing, however, to stop a competing manufacturer from selling similar goods to the second merchant on a more favorable basis.

Tentative Orders

A point of considerable interest is seen in the case of a tentative order for a year's supply on which periodical shipments are made. Mr. Morden considered that such an arrangement would not be regarded an order in a court of law. In such cases, he was of the opinion that a manufacturer who attempted to supply a 10-car load price to a single shipment of one carload on a tentative booking of the larger order for the year, would run foul of the law. The only part which would be considered a real order for the purposes of the Act was the definite amount which had been actually ordered and shipped.

Manufacturers who give advertising allowances to certain buyers have not the right to refuse similar allowances to other dealers, Mr. Morden indicated.

Buyers Wary

A significant feature of the new legislation is that both buyer and seller are equally liable. For this reason some large retail buyers, notably chain and department store men, are said to proceeding warily. It may be up to them to find out whether preferential terms have been given to other buyers by the firms from which they purchase. In fact, some large buyers are reported asking for a signed statement from manufacturers to the effect that the law is being observed.

Farm Creditors' Arrangement Act Challenged by Mortgage Company

International Loan Refuses to Accept Award—Debt Machinery Working Overtime But Many Creditors Dissatisfied

From Our Own Correspondent

OTTAWA. — Challenged in the Supreme Court of Alberta on constitutional grounds, the Dominion government is now preparing to defend one of the major measures in the Bennett new deal programme — the Farmers' Creditors Arrangement Act.

This statute which undoubtedly is having a potent effect upon the rural debt problem — although whether for good or ill remains to be seen—has been challenged from an unexpected quarter. Earlier menace on the part of the British Columbia government, in the form of an injunction against the operation of the statute in the coast province was met by a statute enacted last session enabling the law to be withdrawn from that province. But inasmuch as the Pattullo government has never proceeded with its injunction, the measure continues to function in British Columbia.

The Alberta case is the result of a compulsory adjustment of the debt of one Charles Lyon Pickle, farmer in the Haytor district of Alberta. The Alberta Board of Review scaled down his indebtedness under a first mortgage to the International Loan Co. of Winnipeg. The loan company has declined to accept this arbitrary alteration of contract and the constitutional case is the result. The company is contesting the jurisdiction of the Board of Review to interfere with its contract. The Dominion government has retained Harry Nolan, K.C., of Calgary, to support the validity of the statute. The case will be heard at the autumn session of the court but the judgment almost certainly will be appealed to the Privy Council.

Want Authority Defined

Although the International Loan Co. is not a member of the Dominion Mortgage and Investments Association, The Financial Post understands that this does not necessarily mean that the challenge is frowned upon by the bulk of Canadian mortgage companies. It is believed that most of them are of the opinion that the authority of the measure must be more clearly defined.

But while the Farmers' Creditors Arangement Act has thus encountered its first major hurdle since enactment in 1934, the activities under it continue to expand with almost incredible speed. A year ago, M. A. MacPherson, of Regina, launched the statute almost lone handed. Today the staff has grown to more than a dozen persons occupying a suite of rooms instead of the small two-roomed apartment in which the spade work was done. The Act is now administered by H. F. Gordon, former assistant to Mr. MacPherson who resigned in August.

Whereas on August 31, 5,800 settlements had been recorded, this total in the past month has been increased to 8,413 settlements with over 2,700 cases awaiting hearing and decision by the Boards of Review in Ontario and Quebec. Since its inception $70 millions in debt has been brought under the act and the average write-off is between 25 and 30 per cent. Of this debt total, about $21 millions has been written off.

$150 Millions Per Year

At the present volume, the organization now administering the act can handle $150 millions of rural debt in a year. To this statement, however, there is one exception. The Boards of Review in all provinces, particularly in Ontario and Quebec, have found their duties to be greatly in excess of earlier expectations. It is now evident that in most of the smaller provinces, the work will require full time attention of the Board and that the judge who is the chairman will have to be excused other judicial duties. In Ontario and Quebec it is obvious that single Boards of Review cannot cope with the cases referred to it and probabilities are that these provinces will be split into two divisions each, with four Boards of Review instead of two.

Reception Mixed

The reception being accorded the debt reduction programme would appear to be very mixed. Officials at Ottawa point out that it would be unreasonable to expect complete creditor satisfaction where debt is being reduced, on average, more than 25 per cent. So far as the secured creditors are concerned, chiefly the mortgage companies, officials believe they have received sincere co-operation from the companies included in the various organizations.

Some Criticism

This view does not appear to be contradicted by the mortgage companies. The Financial Post understands that most of them are in sincere sympathy with the principle of the Farmers' Creditors Arrangement Act. Indeed they point out that they have always been trying to make reasonable debt adjustments where the circumstances warrant. There have been, however, objections to the administration of the act in certain sections, particularly in Ontario and the other eastern provinces. It is said that certain flagrant cases have been approved such as the scaling down substantially of a $5,000 mortgage on a farm which is still worth $10,000.

Merchants Opposed

The most sustained complaints against the act, however, have come from unsecured creditors, chiefly merchants. These creditors, apparently, have suffered severely and their special claims for preferred treatment have not, until recently, been recognized. Their grievances, however, are now in course of being remedied. Officials at Ottawa hold the view strongly that small merchants who have extended credit in the form of essentials to life and have carried farmers through periods of acute depression—such creditors must be given special consideration by official receivers and Boards of Review. This attitude at Ottawa will certainly be reflected in future settlements achieved under the act.

Another new factor entering into the situation, is the attitude of large companies, notable farm implement companies, who, if circumstances warrant, are urging prospective customers to go through the debt adjustment machinery prior to incurring new obligations. In this way, apparently, stiff cuts in debts owing them may be avoided.

Louis-Baer Fight Boosts Paper Output

From Our Own Correspondent

MONTREAL.—Wars, elections, sporting events, calamities and other matters of general interest are all grist for the newsprint mill. The threat of war between Italy and Ethiopia has caused the daily newspapers to devote a great deal of space to developments. This has been the means of increasing the demand for newsprint which in turn has been beneficial to the Canadian manufacturers. The latest development to affect the operating trend of Canadian newsprint plants was the Louis-Baer prize fight in New York. The widespread interest in this sporting event added appreciably to the consumption of newsprint. At the moment it is not possible to determine the amount of extra newsprint paper that was required by the publishers to cover this event, but an estimated increase of around two per cent would not be out of the way.

NEW FINANCING $306.8 MILLIONS

September Total Only $2,233,600 Outside Dominion Treasury Bills

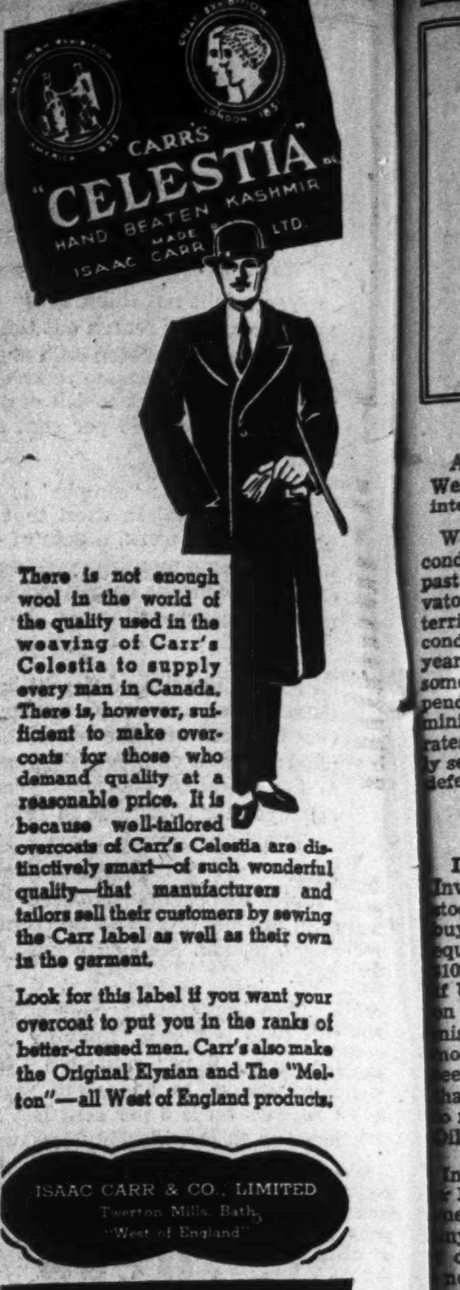
Outside of sale of Dominion of Canada short term securities, new financing in Canada amounted to only $2,233,600 in September, according to a compilation by Dominion Securities Corp. The Dominion loan of $135 millions for October refinancing is not treated as September borrowing.

For the nine months ended September 30, total new financing was $306.8 millions, compared with $231.8 millions in the same period of 1934. This compilation excludes short-term financing. Inclusion of short-term securities would result in duplication, thus exaggerating the total of 1935 financing.

Comparative figures follow:

Bond Sales to Sept. 30, 1935

	1935 $	1934 $
Dominion	138,737,987	48,666,666
Provincial	67,505,000	119,434,000
Municipal	26,605,874	17,141,778
Public utility	4,438,000	28,427,400
Railway	48,400,000	12,000,000
Indust. & miscel.	21,088,000	6,131,596
Total	306,774,861	231,801,440



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Western Grain

Are prospects improving for Western Grain Co.? Is the bond interest secure?

Western Grain Co. had adverse conditions to contend with in the past year, since a number of its elevators are located in the southern territory of the prairies where crop conditions were bad in the 1934 crop year. Prospects for 1935-36 are somewhat better. Earnings will depend partly on policy of the Dominion grain board as to storage rates. The bond interest seems fairly secure, but sinking fund has been deferred.

Imperial Oil

I have sold some United Fuel Investments 6 per cent preferred stock at 18½ and am thinking of buying Imperial Oil common. The equity of the stock I sold was $102.15 by the financial statement. If U. F. ever earns a good return on that equity I will have made a mistake. The Imperial Oil common is selling almost at 20 and I see the equity is $6.50 a share. Now that's just the opposite situation to my old investment. Is Imperial Oil common over-valued?

Investors are willing to pay a price for Imperial Oil common stock three times the equity because of the company's long and remarkable record of dividend payments. The equity is not a complete guide because market value of stocks of subsidiary companies is many times the valuation given on the balance sheet.

Consolidated Paper

I have been approached to purchase some Consolidated Paper bonds, which sell around $17. I have had no experience whatsoever with this security and I therefore ask you if you consider same a good investment which I can hold for quite a time?

The most important consideration in connection with Consolidated Paper first mortgage bonds is whether or not the company will be in a position to meet interest charges when they become a fixed charge and thus avoid the necessity of carrying out a further reorganization or asking the bondholders to extend the moratorium on interest charges.

On the results obtained in 1934, the company would not be in a position to meet this charge. But there is a prospect that interest charges for the half year can be paid in 1936. This is dependent upon the manufacturers securing a price increase on 1936 deliveries of newsprint. If a price increase goes through, Consolidated Paper may be able to pay the half-yearly interest charge. Even then, the problem of meeting full interest in 1937 will remain. One cannot be sure that the Consolidated Paper Corp. will be able to avoid a further capital reorganization.

Dominion Engineering

Will you please let me know what dividend is being paid by Dominion Engineering Works and the outlook for the company?

Dominion Engineering Works has made no distribution on its common stock since 1930. Financially the company is in a good position. The outlook is considered promising but any marked improvement in earning power must depend upon more widespread activity in such industries as pulp and paper, water power and mining, and, to a lesser degree, construction.

Massey-Harris

Massey-Harris preferred shares are quoted around $24 a share and I see there are dividends accrued of $23.75. I should be glad of an expression of your views regarding a purchase of the stock at the present market price and the possibility of dividend arrears being paid in the future.

Purchase of Massey-Harris preferred shares will be made mainly by those who are taking the long view. It cannot be expected that dividend arrears will be paid on this stock for a considerable period. Before it could begin payment of dividend arrears on preferred stock, it would have to make up the sinking fund requirements on the bonds now in arrears 2½ years. At the moment that total amounts to $1.5 millions and this will increase by $600,000 annually until payments to sinking fund begin or some arrangement for lessening the annual requirements is made with bondholders.

When good prices and good crops together are being enjoyed by Western and other farmers generally, the situation for the company will improve rapidly. There are good prices this year for wheat, but the crop itself is low and so collections and sales this fall are not up to earlier expectations. To June 30, the company's sales had increased 22 per cent, but rust and drought made a big difference in expectations after that. A better time to assess the preferred stock and its prospects will be when 1936 crop conditions can be gauged.

Nakamun Asphalt

A client has asked me for information about Nakamun Asphalt & Oil Co. stock. Can you tell me anything about it?

Nakamun Asphalt & Oil Co. shares were sold in Great Britain and Canada about 1913. The Nakamun Co. was operating north of Edmonton but was trying to sell the shares on the excitement existing at that time near Calgary. Gross misrepresentation made by the company at the time was pointed out by The Financial Post. No trace could be found of the company now.

Brazilian Common

I own five shares of Brazilian Traction common. They were bought at higher prices. What are the long-term prospects of this company?

The whole history of Brazilian as to earnings, management and expansion would justify optimism regarding the future if other factors such as internal politics, exchange value of the milreis and new laws did not enter in. The position cannot be assessed with any accuracy until new agreements have finally been reached with regard to rates of some of its important subsidiaries in Brazil. The Vargas decree forbidding the rates being based on the gold value of Brazilian money makes the writing of new agreements necessary.

Toronto Elevators

I note that you state Toronto Elevators preferred is convertible into common one share for three. Does this make it an attractive investment?

While Toronto Elevators seven per cent preferred stock is convertible, one for three, into common shares, the preferred is also callable at 110. If the company continues its past successes and interest rates remain low, it is possible that the preferred would be called and refinanced at a lower rate. This is a risk to the buyer who pays more than $110 a share.

The company is to expand its storage space at Toronto. It has done very well since it was formed. If, however, storage space were increased by competitors, or the enlarged storage space were found excessive, there would be some diminution of earnings. Otherwise, the prospect seems to be for earnings stability.

B. A. Oil

I hold British American Oil. Will I let this investment ride?

British American Oil has managed to earn its dividends throughout the depression and to expand its efforts both in the United States and Canada. The company is well managed and has always paid its dividends. Its experience in 1935 has been satisfactory to date, so that the investment has retained its merits.

Detroit Tunnel

I have heard no news of reorganization plans for Detroit and Canada Tunnel lately. What is happening?

Plans for reorganization of Detroit & Canada Tunnel may not be issued immediately. There is a feeling on the bondholders' committee that operations will have to become more stabilized before an effective reorganization will be possible. No news on the situation has developed since the company requested filing of claims of creditors earlier this year. There is a huge deficit and small prospect of any early payment even for first mortgage bonds.

Latin-American Stocks

Has the time come for an investor to buy into securities of companies operating in South American countries? My idea is to buy now while things are somewhat discouraging. It is really putting my money on the swing of the pendulum. I thought of Brazilian common as a venture on Brazil coming back. How about Mexican Light and Power Co. for Mexico? And International Pete for Peru an Colombia?

Before taking such a step, you should study the politics of each South American country in turn. Nationalistic policies are now rampant. Cries of "Mexico for the Mexicans!" and "Brazil for the Brazilians" and so on, are quite potent in these days, and will be until new outside capital is needed.

Mexico City is now planning a co-operative power plant on a small scale. It states it will sell power for one-half the rate charged by the Mexican Light & Power Co. It is only a small plant, but it is significant in that it shows the Mexican Government feeling its way toward new power programmes which are not considerate of vested rights.

Brazilian has rendered Brazil excellent service in the past. Just how the new spirit of Nationalism will work out in Brazil with reference to this company is not yet apparent. But it doesn't inspire confidence.

International Petroleum is in a different position. It sells the major part of its products outside these countries. There is no exchange problem involved. The company's payments in royalties and taxes are a large source of revenue to the country. Apparently the relations with state authorities have been very friendly and co-operative in character. It has been the policy of International Pete in Peru and of Tropical Oil Co. in Colombia to ally their own interests with the general interests of the country.

Carbo-Ice Prospects

What is the price of International Carbo-Ice stock and what are its prospects?

We know of no open market price for International Carbo-Ice shares. Preferred shares of $25 each with common bonus, have been offered at par, however

The company's plant and operations have been more costly than originally anticipated. It is hoped that raising capital by the stock sale will rectify a shortage of working capital and allow expansion. It will be some time before it can be told whether the venture is likely to be successful.

Famous Players

My Famous Players six per cent bond has risen above 100. Is this a justifiable price?

Famous Players has been able to earn interest throughout the depression. Recently its results have improved materially. In view of low interest rates, you might have difficulty in employing your funds to better advantage. This situation accounts for the premium on the bonds.

B. C. Packers

How is B. C. Packers doing?

Rather poorly. The reorganization plan would write off the large deficit. Preferred would be exchanged 1 for 2½ of new common; and present common, 10 shares for 1 new share. The result may be eventually to allow some payment on the new stock. But this depends on profits which have fluctuated widely.

Canadian Wirebound

Can you tell me something of the earnings situation for Canadian Wirebound Boxes? Is the full dividend likely to be resumed?

Canadian Wirebound Boxes is doing fairly well. Earnings rose last year and amounted to $1.50 a share on the A stock. Profits are being maintained. If this persists, there is certainly a possibility that the dividend will be restored to $1.50 a share annually from the $1 that is now being paid.

General Steel Wares

For some time I was nervous about a first mortgage bond of General Steel Wares. Should I sell now that it has risen?

General Steel Wares earnings have recovered sharply in the past two years. The rise of the bond is also partly due to the decline of interest rates. In view of improved earnings and reduction of amount of bonds outstanding, retention appears less risky now than it was three years ago.

St. James vs. Lord Nelson

I have been advised to trade a St. James Court Apartment bond for one in Lord Nelson Hotel. Would this be advantageous?

The contrast between St. James Court Apartments, Toronto, and Lord Nelson Hotel, Halifax, is that the apartment makes money and the hotel loses it. If it were not for the C.P.R. guarantee of 4 per cent interest, Lord Nelson Hotel bonds would be far from desirable holdings.

We understand that net earnings of St. James Court have been running about half interest requirements, after taxes. It is expected that at least part interest will be paid. If rentals improve, there is a prospect of payment of more than half the interest.

In the case of Lord Nelson Hotel, you are fairly certain of four per cent but the C.P.R. guarantee does not extend to principal of the bonds.

Cons. Bakeries Dividend

I have been advised to buy Consolidated Bakeries stock because the company will soon raise its dividend. Is this right?

The advice would have been correct a year ago. The company's earnings have certainly increased this year. This is shown in payment of 80 cents a share in dividends. Earnings amounted to only 60 cents a share last year. It would be risky to predict another early increase of the dividend.

Anglo-Can. Telephone

I would like to have some information on earnings and dividends of Anglo-Canadian Telephone Co.

Anglo-Canadian Telephone Co.'s financial statements show consistent earnings. In 1934 income available for dividends on the capital stock totalled $558,396, nearly 2¼ times dividends on the preferred. Earnings available this year for preferred dividends have been over 10 per cent above 1934 levels.

Hillcrest Collieries

Will you please give me what information is available in regard to Hillcrest Collieries, showing condition of the company as reported at the last annual meeting and advise of any important changes that have taken place since that time?

Hillcrest Collieries' financial statement for 1934 showed a smaller loss on operations and maintenance of miscellaneous income. Total net earnings were $12,316 compared with a $7,615 deficit in 1933. Bond interest requirements in both years totalled $16,250, so that there were deficits in both years.

The financial position of the company does not appear to have undergone any material change in the last year. There have been no interim reports on current operations. Working capital at the end of 1934 amounted to $39,076, which was relatively low in comparison with other years.

Bank of Canada

When did you first warn that Bank of Canada shares might be redeemed at $50 a share? Is the second dividend being withheld?

The Financial Post of February 23, 1935, stated:

"If the Liberal party comes into power at Ottawa, it is argued that the bank would be nationalized. It would be possible for a new government to order the redemption of the shares at $50 each."

The Post also pointed out that although the bank's shares were selling on a government bond basis, the stock would be more liable to wide fluctuations in price.

The announcement of the second dividend is not being withheld. The first dividend was paid July 1, 1935, and the next is not payable until Jan. 1, 1936, the dividend being a semi-annual one.

War and Markets

At the start of the Great War I understand stock exchanges were closed. If this were to recur, how would anyone wanting to sell shares be able to do so?

If, in the event of war, stock exchanges were closed, you would find that an over-the-counter market would arise. This market would be the economic result of many people wanting to sell and others to buy securities. This occurred when stock exchanges were closed in 1914. It is an unsatisfactory form of market. Quotations are uncertain. Under such circumstances, it is quite conceivable that certain types of shares would not be saleable at all.

Alberta Bonds

I fear that the Social Credit government in Alberta will injure my holdings of Alberta bonds. Already I face a loss if I sell. Should I take the loss or hold, risking loss of my entire investment?

Unfortunately, it is not possible to read Alberta's future. One can only "see through a glass darkly." The most favorable feature of the nerve-racking "social credit" situation is that Premier Aberhart says he intends to pay Alberta's debts in full. The value of this, however, is offset by his incompatible belief that he can do so and at the same time operate his "social credit" scheme. The "hard-boiled" view is that the Aberhart scheme is impossible and will never be tried and so is exaggerated as a cause for worry. It can only be hoped that this is the correct interpretation of matters.

St. Lawrence Paper

I bought some of the preferred stock of St. Lawrence Paper Mills when it was first offered to the public. I have experienced a very substantial loss on this investment. Can you tell me if the company is making any progress and whether or not earnings have increased as a result of the better demand for newsprint paper?

St. Lawrence Paper has increased its sales, but the low price of newsprint has not made for any appreciable improvement in earning power. This company like the other manufacturers, is hoping that there will be a price increase on 1936 deliveries. In that event, the position of the company would be strengthened.

C. S. L.

Has Canada Steamship Lines done any better this year?

Canada Steamship Lines has not experienced any marked improvement in operations this year but the financial statement is expected to show a strengthening of working capital. Bank loans have been greatly reduced and the 1935 statement may show them as being entirely liquidated.

Champlain Oil

Kindly let me have a brief opinion on Champlain Oil Products. I am interested in the preferred stock.

Champlain Oil Products is engaged in the refining and distribution of oil products in Quebec and eastern Ontario. The company has contracted for the purchase of requirements over and above refining capacity. This gives the company a fixed profit on purchases. Apparently the company has been earning preferred dividends, but the 1935 report is not available yet. The company is rather youthful.

Mining Enquiries

Birrell Gold Mines

We would appreciate it if you will be kind enough to supply us with any information which you may have regarding Birrell Gold Mines. What is the present understanding regarding the pooled stock?

Outlook for Birrell Gold Mines improved considerably early this year with the entrance of Ventures Ltd. into the picture. Following encouraging results from drifting on the 175-ft. level, Ventures took an option on all the treasury stock and is carrying out and financing the development. A complete mining equipment is on the property which consists of 488 acres in Duprat twp., Quebec, 7½ miles northwest of Noranda. While this still remains a prospect, it is one which is getting a thorough testing.

As regards the pooled stock, 1.5 million shares representing vendors' and syndicate stock is pooled. The pool cannot be broken until $150,000 has been raised for actual development. Under the option taken by Ventures this amount would probably be reached if all share options, details of which are not made public, are taken up.

Texas Canadian Oil

Please give me a short opinion on Texas-Canadian Oil as an interesting speculation.

Texas-Canadian Oil Corp. is a promotion of P. D. Bowlen, of Toronto, and was originally incorporated as Wainwright West Oils Ltd. to drill leases in Alberta. In 1931 the company transferred its activities to East Texas and in 1934 the name was changed to the present one. At the present time, the company claims to have 43 wells producing crude oil in this field.

While there are some well-known names on the board of directors, it is well to remember that operations of this type are among the most hazardous forms of speculation. The company's wells are situated in a foreign country, far from the watchful eye of careful investors and production is subject to numerous economic forces beyond control of even the best board of management.

Red Lake Gold Shore

I would like to invest some money in Red Lake Gold Shore. Will you be kind enough to give me information regarding management, present progress and future possibility for return on investment?

Red Lake Gold Shore Mines Ltd. is developing a gold property west of the Howey Gold Mines in the Red Lake district. The area should be geologically favorable to the occurrence of ore, although the company is still a prospect. Ore reserves on the main vein have been estimated by officials to be 30,125 tons containing about 0.994 oz. gold per ton. Negotiations are now under way to obtain electric power. Some of the men on the board have had considerable experience in mining although none of them have had any outstanding success to their credit. Financially the company appears to be in fairly good position, but the outlook for a return on the investment is still uncertain.

Sherritt-Gordon - Hudson Bay

I have been told there is some contractual connection between Sherritt-Gordon Mines and Hudson Bay Mining & Smelting, that would benefit Hudson Bay in the event of Sherritt resuming operations. Would you kindly explain these?

When operations at Sherritt-Gordon Mines ceased in 1932, the company had a five-year agreement with the Hudson Bay Mining & Smelting Co. whereby the latter would supply power as needed from its Island Falls plant at $38 per h.p. There was also a 10-year contract with Hudson Bay whereby the latter company agreed to smelt Sherritt-Gordon's concentrates.

If Sherritt-Gordon were to resume operations, these contracts would aid Hudson Bay. It was estimated at the time Sherritt-Gordon was going strong, that the new mill would require 5,000 h.p At $38 per h.p. this contract alone would mean some $190,000 to Hudson Bay.

With or without such added income Hudson Bay is in a fortunate position with increased output of gold, silver, zinc, and copper and improved prices for all these products.

Lake George Mines Ltd.

Will you please supply any recent information you may have regarding Lake George Mines Ltd.?

Latest information in connection with Lake George Mines Ltd. is that it is still inactive. As you probably know this is an antimony proposition which has appeared to have had trouble in marketing its products, despite the fact that at one time it was the only antimony producer in the Dominion. There appears to be no lack of ore on the company's property which is at Lake George, Nova Scotia.

Rackets

Free Encyclopedias

THE encyclopedia racket is an old one and is constantly being worked. Ministers, government officials and school principals are its chief supporters, although business men do not find themselves neglected by the salesmen.

The prospect is approached as an outstanding citizen. He is told that a brand new encyclopedia has been issued. The company wishes to give him a set without charge or obligation. All they ask in exchange is a letter of comment which can be used by the salesmen when they come to offer the encyclopedia to the great general public. Few men can resist such an appeal. They agree to take the volumes and give the letter.

At some opportune moment during the canvass, when the prospect has signified his willingness to become a charter subscriber without cost, he is told that the encyclopedia will be brought up to date by an annual budget of new material. The ordinary charge for this continuing material is $15 a year. But of charter subscribers the company asks only a small fee equivalent to the out-of-pocket expenses of royalties to the great scholars who work on the material. This is probably $5 to $6 a year. The subscriber is asked to agree to pay this "royalty" charge for ten years.

What is a few dollars a year? Nothing at all. And the subscriber is getting the whole set free.

In reality, if he stops to figure it out, he is buying the set for $50 or $60 on a ten annual installment basis. True the encyclopedia may give full value for this sum. The subscriber is probably getting his money's worth even if he is not getting something for nothing as he thinks.

The racket is not so much in the fleecing of the flattered subscriber but in the oblique and misleading manner in which the sale is made.

Our October Booklet

This booklet contains a diversified list of Dominion, Provincial, Municipal and Corporation Securities that are, in our judgment, the best investments of various classes available at this time.

We shall be glad to mail you a copy on request.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Taxes Take Larger Share B.C. Power Corp. Earnings

From Our Own Correspondent

MONTREAL.—Partial restoration of wage reductions and heavy damage caused by storms in the Fraser Valley last January, together with an increase in taxation were the principal reasons for the increase in operating expenses of British Columbia Power Corp. for the fiscal year ended June 30 last, according to a statement made by W. G. Murrin, at the annual meeting

The company's total tax payments in the 1935 fiscal year represented more than 25 per cent of the net revenue before providing for bond interest and fixed dividend payments and increased by $237,075 over the preceding twelve months.

Shareholders re-elected: W. G. Murrin as president, with A. T. Goward, Victoria, and E. H. Adams, Vancouver, vice-presidents. Mr. Adams was named treasurer and E. Rogers, Vancouver, secretary. Austin C. Taylor, of Vancouver, was added to the board of directors.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, *President.* T. H. Main, *Manager.*

CANADA BREAD COMPANY, LIMITED

(Incorporated under the Ontario Companies Act)

AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT 30th JUNE, 1935

ASSETS			
Cash on Hand and in Banks		$ 167,727.81	
Accounts Receivable	$219,107.77		
Less: Reserve for Doubtful Accounts	52,000.00		
	$167,107.77		
Due from Director	1,038.47		
		168,146.24	
Inventories of Ingredients, Finished Products and Supplies, as determined and certified by the management, valued at the lower of cost or market		118,763.47	
			$ 454,637.52
Mortgages Receivable			21,349.80
Buildings and Equipment—			
Cost to date		$ 4,738,776.57	
Amount by which book value was increased as a result of appraisal made by Sterling Appraisal Company at 30th June, 1923		930,578.46	
		$ 5,669,355.03	
Less: Reserve for Depreciation		2,477,496.51	
		$ 3,191,858.52	
Land, at cost		489,847.28	
			3,681,705.80
Prepaid Insurance, Taxes and Other Charges		$ 48,167.09	
Deferred Moving Expenses		7,070.01	
			55,237.10
Goodwill (less amounts written off)			2,354,865.02
			$ 6,567,795.24

LIABILITIES		
Account Payable and Accrued Charges	$ 158,972.63	
Taxes Due and Accrued	20,063.37	
Wages Accrued	25,633.53	
Reserve for Outstanding Bread Tickets	9,005.44	
Bond Interest Accrued	23,510.00	
		$ 237,204.97
Deposits by Salesmen	$ 64,539.87	
Less: Cash and Government Bonds held in Trust	64,539.87	
First Mortgage 6% Sinking Fund Gold Bonds, due 1941, Outstanding	$ 967,800.00	
Less: Bonds held for redemption	27,400.00	
		940,400.00
Capital:		
Authorized and Issued—		
7% Non-Cumulative Redeemable First Preference—		
12,500 shares of $100 each	$ 1,250,000.00	
7% Non-Cumulative Participating Redeemable Class "B" Preference—		
25,000 shares of $100 each	2,500,000.00	
Common—of no par value—		
200,000 shares	25,000.00	
	$ 3,775,000.00	
Earned Surplus—as per statement attached	1,615,190.27	
		5,390,190.27
		$ 6,567,795.24

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Head Office accounts of Canada Bread Company, Limited, and its subsidiary and those of certain branches as at 30th June, 1935. The accounts of the remaining branches are incorporated from the signed returns verified by the Companies' staff auditor.

Subject to the foregoing we report that in our opinion the above Consolidated Balance Sheet correctly sets forth the position of the Company and its subsidiary as at 30th June, 1935, before giving effect to the proposals for re-arrangement of the capital structure, according to the best of our information, the explanations given to us and as shown by the books of the Companies.

CLARKSON, GORDON, DILWORTH, GUILFOYLE AND NASH,
Chartered Accountants.

Toronto, 27th July, 1935.

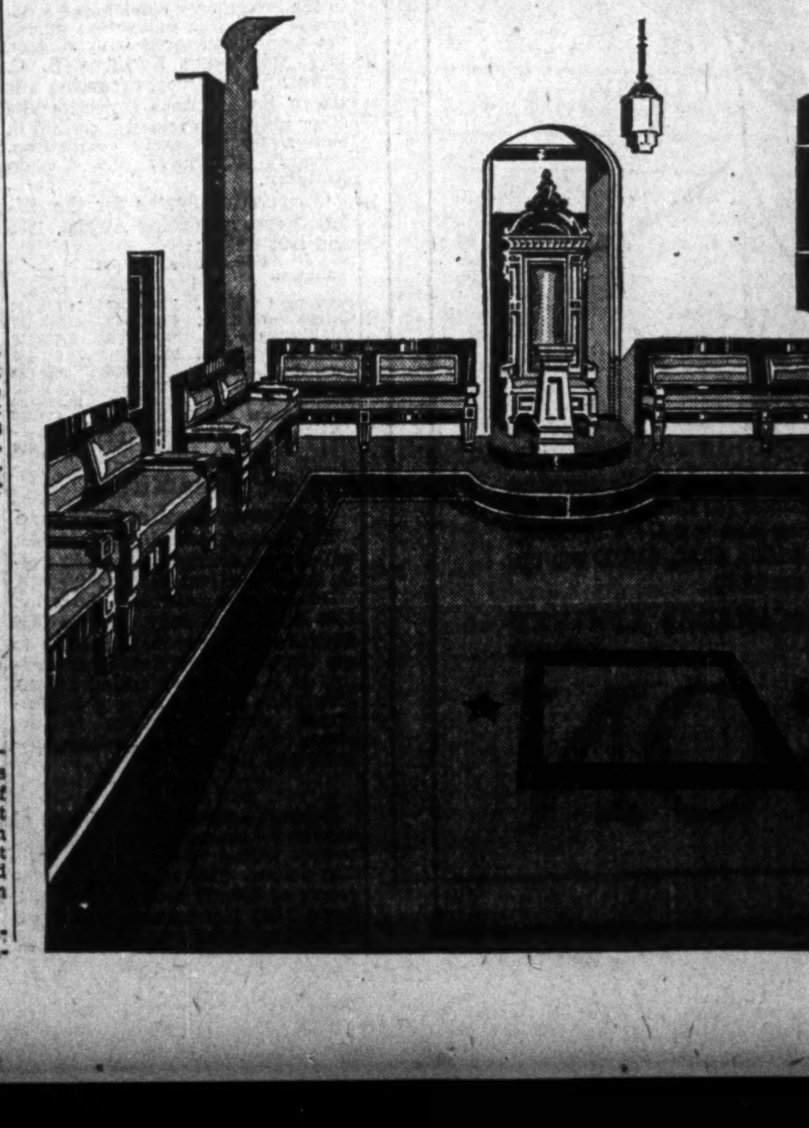
CONSOLIDATED SURPLUS ACCOUNT

For the Year Ended 30th June, 1935

Balance of Consolidated Surplus at 30th June, 1934			$1,559,295.21
Profit on operations before charging Bond Interest, Depreciation, and Income and Corporation Taxes		$ 342,826.77	
Interest earned on Investments and Bank Deposits		6,386.19	
		$ 349,212.96	
Less: Bond Interest	$ 58,120.50		
Provision for Depreciation of Buildings and Equipment	216,967.79		
Loss on Sale of Investments and Real Estate	2,592.50		
		277,680.79	
		$ 71,532.17	
Add: Discount on Bonds redeemed or held by the Company		472.50	
Net Consolidated Profit for the year before charging Income and Corporation Taxes			72,004.67
			$1,631,299.88
Deduct: Income and Corporation Taxes for the year			16,109.61
Balance, Consolidated Surplus at 30th June, 1935			$1,615,190.27

80th
ANNIVERSARY
1855
1935

FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.
FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.
FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada, and the
SAFE DEPOSITORY FOR SAVINGS
CANADA PERMANENT MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000



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CUSTOM BUILT FLOORS

The oftentimes intricate and always significant designs required in lodge room floors may be easily, inexpensively and permanently executed in Dominion Battleship Linoleum. The most complex crests or symbols are faithfully reproduced in this flexible floor material. Dominion Battleship Linoleum comes in nineteen colours and effects, including plains, jaspés and marbles, and may be cut to any shape or size desired. Write us for suggestions and the facts about our 5-year guarantee.

How much of your Overhead is Underfoot?

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

Losses of Investors Lesson to Salesmen

Bond Pedlars Have Hard Row to Hoe But Some Have Learned

By HENRY JAMES BIRD

The average young man fresh out of college with a brand new job selling bonds wonders how in the world he can ever "break into" this very profitable business. In fact, I sometimes wonder how I ever did myself, but this is not an autobiography.

To start with, the house which employs a large sales organization usually employs a sales manager, whose duty it is to train the student salesmen. Depending on the experience and integrity of the sales manager, the rate of progress of the student will vary. If the latter has enough courage and patience, however, he can train himself by intensive study and practice.

Salesman Made

Most bond salesmen, in fact most salesmen, in any line of business, are made, not born, to contradict a popular theory. The day of the old-fashioned drummer is past. The fellow who used to drive to town with a shiny new buggy — buy drinks all around at the bar and proceed to tell all the stories he knew to a group of idlers who laughed at his jokes, called him a jolly good fellow, but gave him no business—has been relegated to the discard.

The most successful salesman in any line today is the well-dressed, quiet-spoken, self-confident type who talks and thinks nothing but business during the daytime and generally (unless travelling on the road) forgets it after business hours and gets plenty of healthy relaxation to build up a clean mind and a healthy body.

Economic necessity is what causes most failures among security salesmen. As a result of the depression, most well-established investment houses do not pay salaries or drawing accounts. The young salesman, therefore, unless unusually brilliant or a demon for hard work, cannot build up a large enough clientele to compensate him for his living expenses during the first year or two. If he has a reserve fund, or is living at home, he can usually make the grade. The odds are against him if he is not in this fortunate position. Perhaps this is just as well; for the non-producers, the lazy and the inefficient, have been weeded out of the business during the last five years of depression where the "easy money" has gone the way of all flesh. This is also a break for the investor who is not being pestered as much these days as he used to be.

Secret is "Hard Way"

The only secret of success for the young man entering the investment business is the "hard way": The painstaking accumulation of knowledge on investment subjects, coupled with a lot of ringing of doorbells and pounding of pavements (to use the vernacular of salesmen).

The intelligent security salesman usually eliminates a lot of waste time by carefully selecting a specialized list of prospects which can be obtained either from his own firm or can be bought, such as the lists of stockholders of large corporations, members of exclusive clubs, board of trade, professional men and business executives. Too many men waste their time calling on people who are actually not potential prospects; they have neither money to invest nor securities to exchange.

Exposure to Sales

The reason why the beginner does not make big sales is that he does not call on or expose himself to wealthy people. He feels that he can sell the small investor because he himself is small and just a beginner. Most security salesmen suffer from this fault. They are afraid to go after big people.

Of course big people are harder to get at. They surround themselves with efficient secretaries who can "throw you out and make you like it." Persistency and originality are the only solutions to this problem. It can sometimes be overcome by social connections, such as by joining a good golf club, or business club, or fraternal organization, or by the social standing of one's own connections.

The easiest way to break into the bond business is to start by calling on your friends first. They won't give you any business but they give you a friendly reception and a lot of encouragement. From that point, having practised on your friends, you can start calling on strangers.

Keeping Secrets

One of the most valuable assets of a security salesman is to get the reputation of being silent about other people's business. The investor's list of securities is his most precious possession, materially speaking. He is not accustomed to opening up his heart about such a confidential matter to the first stranger who comes along. After the salesman wins his confidence, however, he may open up and tell what he holds, or at least give the names of some of the securities as a trial of the salesman's knowledge.

All investors are nervous about their accumulated capital, hence the millions of dollars which are today left idle in our savings banks and trust companies. They feel that everyone and everything is conspiring to take it away from them, and perhaps they cannot be blamed.

The successful, money-making investor, however, is ever alert to hear about a sound investment opportunity. It is the salesman's job to present one, provided he has the knowledge, the sources of information and the ability to present it in a business-like manner.

Pitfalls of Trading

The most successful security salesman is the one who can study and absorb market trends and pass along this information to his clients. This phase of the business occupies the attention of every investment firm and is a major portion of the business of most investment houses under present conditions where the amount of new capital is limited.

Trading securities was a much abused business during the boom days of 1924 to 1929. The obvious "trade" to most salesmen was any kind of a trade that would result in a commission to himself The result was often disastrous.

First a salesman sold a new client a government or municipal bond paying, say, a conservative 5 per cent. Owing to the demand for that type of security, the bond in a few weeks or months "went up" or to express it correctly, appreciated in value. Along came the salesman with another security, say a public utility or industrial first mortgage bond of a good investment quality, and "took his client out" of the government bond with the very plausible reason that the new bond either was "selling at an attractive discount and was sure to go up," or paid a higher return, or some such similar reason.

End in Gutter

In due course the utility or industrial bond did go up. It was a good bond and was naturally bound to appreciate in a rising market. The next step in the procedure was obviously to "take the client out again" at a profit and sell him another industrial bond this time, not quite so good but still fairly secure, at least as to price (when everything was going up). By this time the client was accustomed to trading because every time he traded he "made a profit." He did not foresee that what was actually happening was that each time his security was being diminished as to quality, and he was merely getting a portion of his principal back as a so-called "profit."

The reader may know the end of this story. the investor traded so many times he was finally left holding the bag with some sort of second mortgage bond, unsecured debenture, preferred stock or common stock.

Then the fireworks started. The bottom fell out of the boom, over-capitalized companies could not begin to earn even a fractional return of their inflated capital, and so naturally defaulted on their obligations. Market values collapsed, and eventually the poor investor who was sailing merrily along making paper profits in the boom, was taking real losses in the depression.

Salesmen's Reactions

The clever but insincere salesmen folded up their tents and stole quietly away in the night, realizing that the party was over for some time to come.

The honest and conscientious salesman realized that he had been a victim of the mad psychology of the boom days just as much as his clients. He became slightly disillusioned about mankind in general and especially boards of directors, big "bankers" and heads of underwriting investment houses in particular. He had a good deal of intestinal fortitude, and he decided that he was going to stick it out and anyway there was a big mess to clean up and he was going to have a hand in it. His clients needed his advice more now than they ever had. He was able, by dint of perspiration and by admitting to his clients the unpleasant truth, to salvage a good portion of their invested capital. He got back to fundamental investment principles and he remembered a lot of things he had forgotten in the boom days such as: "Safety of principal is the first consideration in any investment programme." He remembered also that "you can't eat your cake and still have it;" also that "all is not gold that glitters," and many other homely phrases used by our forefathers.

Emergent Salesman

He began to study balance sheets instead of ticker tape, financial publications instead of stock market gossip, past records instead of future prospects.

This is the new type of security salesman that has emerged from the depression, wealthy in experience, but poorer in purse. He is starting to make money again both for himself and his clients, but this time it is based on a correct interpretation of economic trends, not on a frantic race to make commissions at the expense of his clients' investment accounts. It was not all his fault, it was "the system."

Author is Bond Dealer

Henry James Bird, author of this article, is a partner in a Vancouver investment firm. Mr. Bird started in the financial business as a bond salesman. In these "confessions," he tells of actual experiences in selling securities to investors. He shows how the interests of the investor should be those also of the bond salesman. More of his "confessions" will appear in an early issue

Alta. Ships Mustard

A car of commercial mustard was shipped recently from Warner, Alta., to Hamilton, Ont. This is a new crop for the West and is said to have real possibilities.

JAP TRADE WAR BLOCKS MARKET B. C. PULP CO.

Close Down Wood Fibre Plant for Overhaul — Other Marts Hold

From Our Own Correspondent

MONTREAL. — The wood fibre plant of the British Columbia Pulp & Paper Co. has been closed down after operating on full time up to the beginning of September, according to a statement made by Lorne Killam, president, in order to effect major repairs which are expected to take three weeks. The decision to do this work was stimulated by the complete closing down of the Japanese market to Canadian pulp as from July 20. This development enabled the company to carry out the repairs all at one time rather than distribute the work over a period as would otherwise have been done.

While the Japanese market has provided an outlet for a fair proportion of the company's output in the past, B. C. Pulp is not wholly dependent on this market. Adjustment of the trade dispute between Canada and Japan is hoped for, which will permit resumption of the company's shipping to that country but meanwhile efforts are being directed toward increasing sales elsewhere.

The Port Alice plant continues to operate full time.

Take Care of Debt

The more stable price conditions which have prevailed in the past year or two enabled the company to improve its earnings to the point at which it was able to bring interest payments up to date on the first mortgage bonds by November 1, 1934, and no interest is now overdue on these bonds.

A payment was made May 1 on the company's 7 per cent general mortgage bonds, being the first payment since May 1, 1932. Holders of this security agreed to deferment of interest installments from November 1, 1932, to the same date in 1934, on the understanding that they should become payable May 1, 1936.

DIVIDEND PASSED BY CANADA DRY; PLAN TO EXPAND

Will Install New Plants in U. S. to Cut Distributing Costs

Directors of Canada Dry Ginger Ale, Inc., decided to omit the quarterly dividend on the common stock. This was not unexpected in view of the fact that the company earned 2 cents a share for the nine months ended June 30, 1935, as compared with 78 cents a share in the same period of the preceding year and it actually had a loss of $85,810 for the quarter ended June 30 itself as compared with a profit of $139,242 for the same quarter of 1934.

These results have decided the management to bend all efforts and liquid resources to an expansion programme in the United States which will entail adapting the company's producing facilities to changes made necessary in the marketing programme. The company proposes, it is understood, to install new plants at strategic points with the double purpose of saving distribution costs and meeting growing competition of local independents to National distributors.

Hitherto manufacturing has been much concentrated in the United States by this company with the idea of preserving distinctive features of the product. Sites for new plants will be chosen not only with reference to accessibility of markets but to suitable spring waters. Other drinks will also be marketed at soda water fountains in the United States, drinks which are more or less independent of variations in taste and content of water supply from municipality to municipality.

No changes are contemplated in the Canadian end of the business at present. The marketing of the new drink "Spur," referred to in these columns recently, is still restricted to the New York district. Once fully established and accepted there, other areas will be tried out.

Power Corporation Group Reports Larger Volume

From Our Own Correspondent

MONTREAL. — Companies controlled or affiliated with Power Corp. of Canada reported power output of 161.6 million kw.h. in August, compared with 137.4 million kw.h. for the same month last year, an increase of 17.6 per cent.

Of the eight companies included in the group, only one showed a decrease in power production during the month compared with August, 1934, this being Northern B. C. Power. The sharpest expansion was shown by Manitoba Power, while other utilities to record increases in output, by the same comparison, were B. C. Power and Canada Northern.

Comparative figures for the different systems during August, 1935 and 1934 follow:

Power Corp. Output

August:	1935 Kw.h.	1934 Kw.h.
Southern Canada ..	13,951,390	12,536,740
Canada Northern ..	49,991,793	45,979,107
East Kootenay	6,929,656	5,742,216
B. C. Power	39,216,681	35,836,157
Northern B. C.	926,936	989,690
Winnipeg Elec.	18,147,500	17,966,700
Manitoba Power ...	32,382,000	18,269,000
Northwestern Pwr.	92,300	80,300
	161,638,256	137,419,910

Port of Three Rivers Shows Traffic Increase

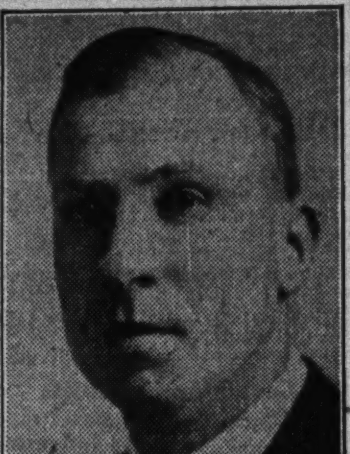
The Port of Three Rivers, Quebec, will show a decided increase in traffic this year in comparison with 1934.

Comparative statements show that 1935 business already exceeds 1934 figures with three more months to go. Three Rivers is steadily expanding as a coal distributing centre. Newsprint exports show a big increase, shipments going to the states, Argentina, New Zealand, Australia and England.

1935 Hop Crop

Growers estimate the 1935 crop of hops in the Fraser Valley at 1,700,000 pounds with a value of half a million dollars. This represents an increase of 300,000 pounds over 1934. Some 2,000 pickers were employed in harvesting the crop.

On Bruck Silk Board



R. G. IVEY

President of Northern Life Assurance Co. and associated with a number of Western Ontario enterprises, has been elected a director of Bruck Silk Mills.

U. S. COMPANIES CUTTING PRICES OLDER WHISKIES

Canadian Importations Affected by Effort to Displace Cheap Whiskies

Price-cuts made in four-year whisky brands by two leading producers of whisky in the United States are hailed there as likely to make inroads on Canadian exports of ageing whisky. National Distillers cut its Old Overholt from $40 to $31 a case. Schenley reduced its wholesale price on Old Schenley from $37.50 to $30 a case.

Business Week of September 21 says, "This puts the next move smack up to Canadian bonded brands accepting $35 a case wholesale. A quart of four-year American whisky will now sell to consumers at something over $4. More venerable Scotch and Canadian brands retail at about the same figure for a fifth. Larger content of the American bottles is expected to over-ride any claims to greater geniality by the invaders."

Pushing Canadian Sales

This is an interesting analysis. However, there may be a Canadian source for some of these better whiskies to be offered under U. S. brands. In Canada it is reported that Schenley is still accepting shipments of whisky from Canadian Industrial Alcohol under its contract which calls for the purchase and sale of three million gallons eventually. Recent announcements show that Canadian Industrial Alcohol is fully determined to sell its United States type whiskies as soon as possible. It has contracts with Old Tyme Distillery, Blue Bell Importation Co. (a subsidiary of Distiller Liquors Corp.) as well as with Schenley.

The reduction in price is stimulating sales of this better whisky. However much or little comes from Canada, there are understood to be several million gallons of United States alcohol, manufactured in 1930, 1931 and 1932 and now either at or approaching the four-year birthday. These United States supplies have an advantage in that they pay only $2 a gallon excise duty whereas there is before that a duty of $5 a gallon on Canadian importations. The interesting thing to the owner of the latter supplies is to see how far the lower price increases the demand for better whiskies. Their hope is that the switch will be so pronounced that United States supplies will be inadequate after a short period with a corresponding increase in demand for Canadian whiskies put out under U.S. brands.

Taxes Rise

If gains are made it will be at the expense of cheap young whiskies retailing at $1 a pint. Sales of the latter exceed 70 per cent of the total. The flood of thoroughly matured United States liquors will begin in 1938 and 1939.

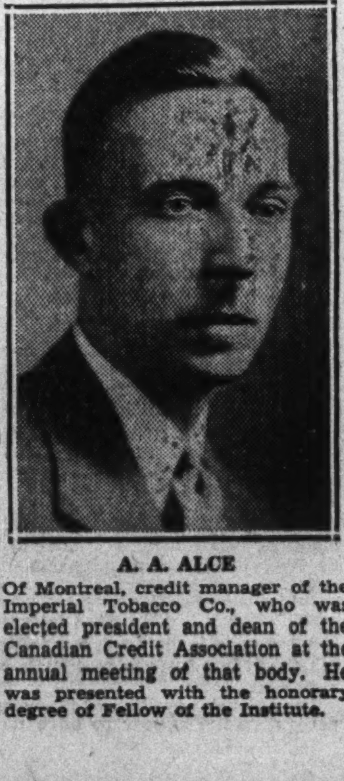
Federal taxes in the year ended June 30, 1935, amounted to $411 millions. This exceeded any pre-prohibition year except 1918 and 1919 and was 25 per cent of all miscellaneous internal revenue taxes collected during the period. It shows bootlegging sales lower.

Issue New Booklet On Government Finances

A 47-page booklet giving up-to-date particulars of the financial position of the Dominion and all provincial governments of Canada has been issued by Wood, Gundy & Co. Financial statistics for major cities are included.

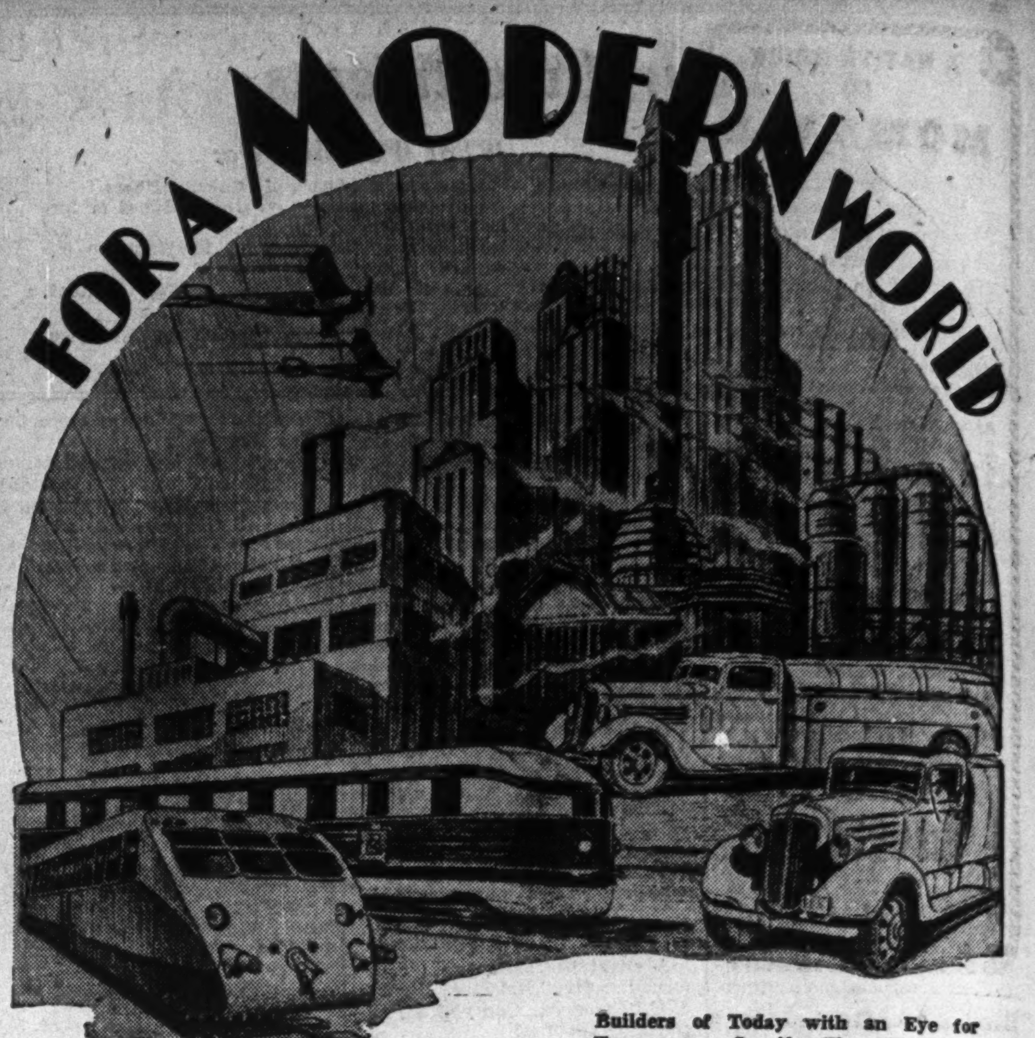
Details of individual loans outstanding are given only for the Dominion government. These are listed as at September, 1935. The booklet includes a map of Canada and Newfoundland.

Dean-President



A. A. ALCE

Of Montreal, credit manager of the Imperial Tobacco Co., who was elected president and dean of the Canadian Credit Association at the annual meeting of that body. He was presented with the honorary degree of Fellow of the Institute.



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Approve Irrigation Schemes For Southern Saskatchewan

Two irrigation projects in Southern Saskatchewan involving an expenditure of $198,000 will be started at once. Building will come under the Federal Rehabilitation Act and is being carried out with provincial co-operation. The Saskatchewan programme involves construction of two irrigation dams and necessary ditches.

One of the projects, that at Val Marie aims to make water available for irrigation purposes for 5,200 acres of land. A solution of the winter feed problem of the neighboring ranches for an area of 25 miles is sought. All the land which will be brought under irrigation will be split up into lots of possibly 10, 40 and 80 acres. Such plots will be available for purchase to ranchers.

The project will be commenced by the Federal Government and after its completion will be turned over to a Board of Trustees who will administer the scheme and assess maintenance fees against the land. The Board will have power to assess and collect the taxes direct. They will not have to be levied through municipalities.

It is estimated that 10,000 head of livestock will be benefitted by the plan.

The Eastend project also involves the irrigation of land, roughly 2,200 acres. This project is for the benefit of those actualy living on the land to be brought under cultivation.

Can. Terminal System Case To Be Sent to Privy Council

Canadian Terminal System Ltd. will appeal to the Privy Council against an award of a judgment for $60,000 to the city of Kingston by the Supreme Court of Canada.

The action was first decided in favor of the company by Mr. Justice Makins, at Toronto. He ordered the city to return to the company $60,000 in bonds, with coupons. He found that the city had agreed to transfer lands "which although conveyed to the defendant had never been conveyed to the plaintiff company." The city appealed against this award and the Supreme Court of Canada allowed the appeal.

First Broom Shipment

The first commercial shipment of house brooms, manufactured from Alberta-grown broom corn, was made recently.

WOULD ABOLISH IMPORT SURCHARGES

Liberals Pledge Removal of Added Imposts of Bennett Government

A more specific explanation of two planks in the Liberal Party, augmenting those published in The Post on Sept. 21, has been given by a man high up in the party, who feels that The Post's summary was not explicit enough in these two points.

In connection with external trade, the Liberal Party pledges itself to abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties "as imposed by the present administration."

It is also pointed out that the Liberal party's stand on the question of foreign policy, which includes the attitude on war, is that Parliament, not the government, should determine the action to be taken. During the period when there is no Parliament, it was said, no decision should be taken without consulting the people by means of a plebiscite.

Sugar Beet Crop

The year's sugar beet crop in southern Alberta is estimated at 150,000 tons by T. George Wood, district manager for Canadian Sugar Factories Limited. This will keep the factory at Raymond running about 120 days.

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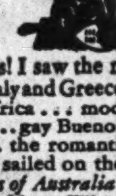
A NATIVE BRIDE IN MOMBASA



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Bank of Montreal to Open New Agency at Premier

The Bank of Montreal will open an office at Premier, B.C., on Oct. 11, as a sub-agency to Stewart, B.C. Service will be given on the second and fourth Fridays of each month. The Stewart branch will be closed on the days service is given at Premier.

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Bank Chat

Provincial Power

ONE of our prominent bankers recently pointed out that the credit policy of the Bank of Canada can be considerably influenced by actions of the provincial governments. When Canadian credit is highly rated abroad there is every inducement for foreign purchases of Canadian securities and properties. And this would bring with it a demand for our exchange, permitting expansion of credit without devaluing the dollar.

If however, Canadian credit is adversely affected by developments within the country it stands to reason that the foregoing would be reversed. Such shocks have become all too frequent. So far this year three provinces have been implicated in them: British Columbia and her municipal situation; Ontario's power contracts; and now Alberta's social credit. Who will be next?

* * *

Merely Cautious

BANKERS might take a different kind of tip from Wall Street. In order to protect the huge sums stored in vaults there, a standing army of "super-efficient" guards has been developed. These have been described as "deadly marksmen with six-shooters, machine guns, shotguns, rifles, tear gas bombs and other weapons used in the modern war against gangsters." The men pass much of their time underground in bivouacs which are equipped with sleeping quarters, restaurants, drilling grounds, target ranges and so on.

In addition many of the vaults are protected in other ways. Some automatically flood when tampered with; others give out poison gases. One is even said to scald an intruder with steam. Designing burglars would be well advised to take out additional life insurance.

* * *

An English View

THE Stock Exchange Gazette of London, England, adds its comment to the many now being circulated regarding Mr. Aberhart's proposal.

"Apparently the fundamental idea of social credit," it says, "is to use public money to develop latent resources. Unfortunately, one condition in world economy today is not that the world resources are insufficiently developed, but that they have been developed beyond the world's capacity to consume.

"If Major Douglas or Mr. Aberhart should succeed in producing oil or salt or wheat in Alberta, on a scale now calculated to produce say $100 millions for the citizens of Alberta, where will they find a market and at what price? No sane man will put his money into a bank whose resources are to be used on a wholesale wildcat experiment."

* * *

A Charge on Deposits

BANKS in South Africa have apparently reached the saturation point as far as deposits are concerned. So great is the accumulation of bank funds and so restricted the demand for loans that would-be depositors are being charged one half of one per cent on their deposits. In other words, deposits are an unprofitable burden on the banks there and involve a maintenance cost which is not met by income when invested.

One customer reports a charge of five shillings for handling his account in South Africa although a balance of more than $500 was held.

* * *

Concerning Counterfeiting

WHO said the introduction of the automobile was not a cause of increased crime? One of the crudest attempts at counterfeiting to make its appearance in some time utilized spare automobile parts. These were molded into half-dollar pieces in plaster of paris dies. But then, if there were no automobiles they would probably have used the runners of the old fashioned sleds.

Speaking of counterfeiting, it was interesting to note William Watts was arrested in the United States recently. Mr. Watts is not so well known in Canada, but it is estimated that he manufactured one-sixteenth of the entire U. S. output of counterfeit currency. Police claim that three-quarters of the counterfeit bills passed in the New York district last year came from his pen.

* * *

Loans to Industry

FOLLOWING the recommendation of the McMillan report, England set up "The Credit for Industry, Ltd." This institution was to advance to industries small loans of a kind not ordinarily suitable to the joint stock banks. The chairman of this body recently stated that usually one of two conditions is found when applicants ask for such funds. Either the loan applied for is one which cannot properly be made by the company, or it could eventually be supplied by a bank.

"At the moment," he said, "I am convinced that there is not a single deserving business in the country which is denied legitimate and justifiable financial assistance. Many thousands of individual cases have been reviewed by me personally, and from what I have seen and from what I know I believe that statement correctly represents the position."

* * *

Staff Changes

The Royal Bank of Canada has announced the following appointments:

C. A. WRIGHT, formerly at Belleville, to be manager at Dutton, Ont.

A. R. GORDON, formerly manager at Manizales, to be manager at Bogota, Col.

H. J. SHAW, formerly assistant accountant at Halifax, to be manager at Mount Stewart, P.E.I.

C. C. CARTER, to be manager at Tessier, Sask.

The Bank of Montreal has made the following changes in its staff:

O. BAKER, formerly manager at Frankford, to be manager at Elgin.

S. L. LUCAS, formerly manager at Elgin, to be manager at Tara.

W. H. MOISE, formerly manager at Tara, to be manager at Exeter.

F. G. BELCHER, formerly superintendent, Saskatchewan district, to be superintendent, Manitoba and Saskatchewan districts.

J. H. CHASELEY, formerly manager at Banff, to be manager at Medicine Hat.

H. SUTHERLAND, formerly manager at Chateau Lake Louise, to be assistant inspector, resident in Calgary.

Loans Up $18 Millions In August Bank Return

Bankers Hope Increase in Small Industrial Loans Points to End of Credit Contraction — Credit Index Rises to 45.6

The earning position of the chartered banks showed improvement in August, the consolidated monthly statement shows. Once more the downward movement of the past five years has been checked. Previously the checks have been short lived. Bankers are hopeful, however, that the steady contraction in loans is nearing an end.

They point to the fact that the recent experience when loan totals have been further curtailed has been because of liquidation of some of the long standing very large loans. Small loans to industry have been more numerous and of somewhat greater amount, it is claimed. One banker expressed the opinion to The Financial Post that the very large loan is through. Banks have been taught a lesson in this respect that they will not soon forget, he said.

Credit Index Rises

In August, loans showed a most encouraging increase of almost $18 millions. This had the effect of raising The Financial Post index of bank credit, which is based on the percentage of call and current loans in Canada to total Canadian deposits, to 45.6 per cent, as against 44.9 per cent in July. This figure is still well over five points below that of a year ago, however.

Changes in total loans and investments in Canada and in Canadian deposits compare as follows:

Use of Bank Credit in Canada
(In Millions of Dollars)

	Aug. 1935	July 1935	Ch.	Aug. 1934	Ch.
Loans	1,032.3	1,014.7	+17.6	1,099.3	—67.0
Inv'ts.	1,040.6	1,030.8	+9.8	861.8	+178.7
Total	2,072.9	2,045.5	+27.4	1,961.2	+111.7
Depos.	1,988.1	1,981.0	+7.1	1,865.9	+122.2

If the course of loans bears out the hopes of bankers, it will likely be a long, slow process. A huge sum has been accumulated in investments, and as has been pointed out before, the banks will have to meet competition in the supplying of capital from the security markets. If business improves, individuals as well as banks will probably want to turn to more lucrative fields of investment.

Other Changes

The August statement shows other substantial changes. Deposits with the Bank of Canada rose by $22 millions; circulation was up nearly $9 millions; and balances due the Dominion Government increased by $23 millions. There was also a switch during the month from short term into long term Government securities, the former falling off $19 millions and the latter gaining $25 millions.

ASSETS

	August 1935 $	July 1935 $	Change $	August 1934 $	Change $
Immediately Available Liquid Assets					
Canadian coin	5,451,630	6,075,215	— 623,585	‡221,176,759	+ 7,197,825
Bk. of Can. notes	30,581,427	33,065,971	— 3,484,544		
Bk. of Can. depos.	192,354,124	169,916,594	+ 22,437,530		
Bank's cash	228,374,581	209,057,780	+ 19,316,804	221,176,759	+ 7,197,825
Other bank notes	7,473,508	6,903,577	+ 560,931	8,918,182	— 1,444,674
Gold abroad	8,384,677	8,336,203	+ 48,474	9,588,470	— 1,203,393
Foreign banks	112,904,994	110,878,019	+ 2,024,975	107,409,673	+ 5,455,321
Foreign curr.	22,634,098	21,327,813	+ 306,285	10,746,165	+ 2,887,933
Gov. sec. short term	383,856,032	402,805,899	— 19,069,867	358,602,190	+ 25,203,842
Do., long term	470,391,706	444,676,070	+ 25,715,636	319,234,749	+151,156,957
Call loans abroad	68,551,705	59,932,745	+ 8,618,960	103,613,649	— 35,061,944
	1,302,521,304	1,263,918,106	+ 38,603,198	....	....
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	100,328,127	98,352,466	+ 1,975,661	90,359,751	+ 9,968,376
Public secs.†	39,102,694	38,279,280	+ 823,414	48,820,371	— 9,717,627
Other secs.	46,988,692	46,671,796	+ 316,896	44,901,801	+ 2,086,891
Can. call loans	77,438,768	77,037,587	+ 401,181	99,564,627	— 22,125,859
Current loans	828,629,038	812,622,893	+ 16,006,145	853,355,407	— 24,735,369
Loans abroad	155,905,838	154,256,166	+ 1,649,672	140,027,735	+ 15,878,103
Prov. loans	25,201,891	17,816,145	+ 7,385,746	31,352,714	— 6,150,823
Mun. loans	101,054,741	107,180,515	— 6,125,774	114,983,939	— 13,929,198
	1,374,649,789	1,352,216,848	+ 22,432,941	1,423,366,345	— 48,716,556
Other Assets					
Non-curr. loans	14,301,874	14,500,125	+ 1,749	14,083,140	+ 418,734
Real estate	8,750,102	8,674,770	+ 75,332	8,158,873	+ 591,229
Mortgages	5,464,169	5,463,705	+ 464	5,832,296	— 368,127
Premises	76,468,772	76,617,918	— 149,146	78,208,066	— 1,739,294
Letters of credit	55,778,447	57,968,367	— 2,189,920	53,390,295	+ 2,388,152
Loans to comp.	12,836,696	13,024,731	— 1,188,035	13,195,079	— 358,473
Other assets	2,241,930	2,597,430	— 355,500	1,751,735	+ 490,095
	176,041,990	178,847,036	— 2,805,046	174,619,482	1,422,508
Total	2,853,255,797	2,794,981,990	+ 58,273,807	2,727,809,012	+125,446,785
Note circ. deb.	6,859,124	6,907,025	— 47,901	6,697,620	+ 161,504
Int. bank bal.	102,797,271	89,866,584	+ 12,930,687	103,828,224	— 1,030,953
Gross	2,962,912,192	2,891,755,712	+ 71,156,480	2,838,334,856	+124,577,336

LIABILITIES

	August 1935 $	July 1935 $	Change $	August 1934 $	Change $
To the Public					
Circulation	129,968,276	121,264,463	+ 8,703,813	139,646,482	— 9,678,206
Dom. Govt.	38,847,900	16,021,367	+ 22,826,533	37,305,439	+ 1,542,461
Prov. Govt.	38,186,645	34,766,014	+ 3,420,631	35,395,619	+ 2,791,026
Bank advances	....	....	....	....	....
Deposits by Public					
Demand dep.	553,817,599	553,011,096	+ 806,303	498,665,447	+ 55,152,152
Savings dep.	1,434,256,634	1,427,953,729	+ 6,302,905	1,367,194,902	+ 67,061,732
Total	1,988,074,233	1,980,964,825	+ 7,109,408	1,865,860,349	+122,213,884
Foreign dep.	360,699,687	338,250,254	+ 22,449,433	329,494,143	+ 31,205,544
Due to Banks Abroad, Etc.					
United Kingdom	13,173,232	12,724,177	+ 449,055	5,712,926	+ 7,460,306
Foreign	26,628,544	24,025,048	+ 2,603,496	21,649,575	+ 4,978,969
Bills payable	1,617,977	1,345,271	+ 272,706	1,384,921	+ 233,056
Letters of credit	55,778,447	57,968,367	— 2,189,920	53,390,295	+ 2,388,152
Other liabs.	2,380,625	2,400,566	— 19,941	1,881,961	+ 498,674
Total public liab.	2,670,401,848	2,589,730,352	+ 80,671,496	2,532,265,710	+138,136,138
Due bet. banks	15,046,234	12,558,533	+ 2,487,701	12,267,768	+ 2,778,466
Liability to Shareholders					
Dividends	2,949,620	2,540,606	+ 409,014	2,410,850	+ 538,770
Reserve	132,750,000	132,750,000	....	132,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	2,951,601,468	2,883,079,491	+ 68,521,977	2,825,194,328	+126,407,140
Credit index*	45.6%	44.9%	+ 0.7%	51.0%	— 5.4%

‡Gold, coin and Dominion notes in Canada.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada. †Other than Canadian.

MIDDLE COURSE IS RECOMMENDED BANK OF CANADA

Royal Bank Economist Sees Danger in Extreme Policies

The Bank of Canada should pursue a policy somewhere between that of the radical who would expand credit so rapidly as to bring about disaster and that of the reactionary who would wait upon natural forces for recovery, stated Dr. Donald M. Marvin before the national convention of Canadian Purchasing Agents Associations last week. Although such a course cannot be expected to be widely popular, it is essential if over-expansion of credit in boom times and under-expansion in depressions are to be avoided, he said.

Policy Unpopular

"At the present turn of events the policy of the Bank of Canada may not please the banks," said Dr. Marvin, "since the creation of a superabundant money supply at a time when it is difficult to find profitable employment for money increases the difficulties of commercial banking. If this policy, however, leads to increasing prices in the bond market, a greater flow of funds into investments and the beginning of expansion in building, it will not be long before the banks and business generally will benefit from the new trend.

"In point of fact, the welfare of the government, of the Bank of Canada, of the commercial banks and of industry and trade, as well as that of the farmer and the wage earner, depends upon the total volume of production and consumption in the country. Whatever financial policy gives the greatest stimulus to production and consumption is the best policy, but in reaching decisions in this respect the long view is essential.

Maintain Buying Power

"The first duty of the Bank of Canada must be the maintenance of reasonable stability in the buying power of our dollar and this in itself will serve to protect the value of our money in foreign countries, that is, in terms of other currencies.

"As long as the present relation between the pound and the United States dollar continues, it would seem that it should be the policy of the Bank of Canada to maintain the Canadian dollar close to parity with these two currencies. If either the United States or Great Britain, however, should make any major change from the present gold value of their currencies, the choice faced by the Bank of Canada would become increasingly difficult.

"In the past, when there has been an important divergence between the two currencies just mentioned, the value of the Canadian dollar has always sought a level between the two. It may well be that this partially accidental relationship from the past will come to represent a definite policy on the part of the Bank of Canada in the contingency that a new rift develops between the currencies of the United States and Great Britain. It is much to be hoped, however, that the period of violent fluctuations in those currencies is past and the Bank of Canada will be confronted by no such choice."

Bank of Canada Weekly Statement

The major change in the Bank of Canada's balance sheet last week was an increase of over $11 millions in government deposits. This was reflected in some measure in an increase of almost $2 millions in short term government holdings, of $3.7 millions in reserves and of $1.5 millions in advance to the government. On the other hand, deposits of the chartered banks fell off by about $3 millions.

Balance Sheet

Weeks Ending:	Sept. 25 $	Sept. 18 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	83,730,405	84,776,579
Dep.: Dominion	31,951,445	20,668,103
Banks	182,247,765	185,118,281
Other	709,873	658,420
Total deposits	214,909,083	206,444,805
All other liabs.	1,077,899	1,406,829
Total liabilities	304,717,388	297,628,213
Assets		
Reserve: Gold	181,340,757	180,526,457
Silver bullion	1,457,508	1,453,494
Res. in sterling	2,660,516	491,271
Res. in U. S.	9,945,966	9,229,843
Res. elsewhere	3,515	6,149
Total reserve	195,408,261	191,707,213
Subsidiary coin	313,127	307,056
Adv. to govt.	2,764,375	1,241,250
Investments:		
Dom. govt. short	24,979,143	23,044,848
Other Dom. govt.	79,574,117	79,510,037
Total invest	104,553,260	102,554,885
Premises	124,577	124,017
All other assets	1,553,788	1,693,792
Total assets	304,717,388	297,628,213
Reserve ratio	65.43%	65.83%

Banker Promoted

F. G. Belcher, Since 1902 With Bank of Montreal, Now Superintendent of Sask. and Manitoba Branches

On Oct. 3, F. G. Belcher celebrated his 50th birthday. Slightly in advance of this auspicious occasion, although not on that account any less welcome, came the announcement that he had been appointed superintendent of branches for the Bank of Montreal in Saskatchewan and Manitoba. "Freddie" Belcher is known to his associates as a fine, clean cut type of man who knows western business particularly well. He has been described as a "man's man," self reliant, a man whose every word counts.

F. G. BELCHER

Wide Experience

Mr. Belcher has had wide experience with farm credits and with western banking conditions. Joining the bank in 1902, he was appointed assistant superintendent at Regina in 1922, maintaining that position for six years. In 1929 he was appointed assistant superintendent at Toronto where he remained until his promotion in 1933 to superintendent of Saskatchewan branches.

In addition, he has for some months, during the absence of Mr. Spears, former assistant general manager of the bank at Winnipeg, had supervision of the Manitoba branches.

G. W. Spears Retires

Mr. Belcher will require all his knowledge to fill the shoes of his predecessor in Manitoba. J. W. Spears, in ill health for some months, is regarded as one of the ablest men in the service of the bank. He was connected with the old Bank of North America before it was taken over by the Bank of Montreal. In 1923 he was appointed superintendent of Saskatchewan branches, and in 1928 received his promotion to assistant general manager, with offices at Winnipeg. Mr. Spears will take up residence in Toronto in the near future.

Weekly Bank Clearings

	Sept. 26 1935 $	Change year ago %	Sept. 19 1935 $
Halifax	2,044,231	+0.8	2,223,228
Saint John	1,640,989	+7.9	1,731,971
Moncton	807,436	+5.4	765,620
Sherbrooke	528,873	+4.7	534,884
Quebec	3,743,863	+3.7	4,088,361
Montreal	84,827,836	+4.5	83,337,410
Ottawa	20,348,072	+347.8	13,731,769
Kingston	589,544	+3.8	619,931
Peterborough	523,801	—2.9	659,971
Toronto	101,269,148	+3.3	112,275,492
Hamilton	4,218,991	+18.7	4,423,000
Kitchener	947,553	+1.6	1,007,673
Brantford	716,276	+10.6	805,519
London	2,189,225	—6.6	2,603,023
Chatham	392,778	—22.3	391,015
Windsor	1,932,892	+2.9	2,061,066
Sarnia	444,737	+32.4	431,631
Sudbury	796,779	+11.7	727,858
Fort William	577,074	—9.7	453,514
Winnipeg	61,551,922	+28.2	57,642,670
Brandon	282,547	—8.8	306,004
Regina	5,038,743	—0.2	6,776,243
Moose Jaw	580,471	+19.7	654,280
Saskatoon	1,777,111	+10.1	1,718,009
Pr. Albert	318,333	+11.1	369,717
Edmonton	2,310,430	—21.9	4,049,736
Calgary	6,436,511	+11.8	5,918,916
Medicine Hat	365,459	+67.3	397,942
Lethbridge	686,241	+63.7	573,778
N. W'minster	528,244	—1.1	568,470
Vancouver	14,685,418	+4.2	16,651,105
Victoria	1,568,468	+19.7	1,613,826

Monthly Bank Clearings

	Sept., 1934 $	Sept., 1935 $
Halifax	8,988,713	9,288,276
Saint John	6,479,688	....
Moncton	2,693,644	2,934,120
Sherbrooke	2,376,987	2,278,577
Quebec	15,746,005	....
Montreal	358,451,936	354,129,639
Ottawa	17,083,410	75,005,377
Kingston	2,344,247	2,367,737
Peterborough	2,459,843	2,569,056
Toronto	459,219,333	413,276,810
Hamilton	14,556,097	16,949,997
Kitchener	3,705,786	3,885,549
Brantford	2,756,563	3,032,373
London	9,490,456	10,604,462
Chatham	1,695,607	....
Windsor	7,366,380	8,451,251
Sarnia	1,591,508	1,815,831
Sudbury	2,869,379	3,211,000
Fort William	2,756,416	2,462,749
Winnipeg	231,909,237	247,217,460
Brandon	1,367,557	1,220,097
Regina	27,019,473	21,835,548
Moose Jaw	2,184,393	2,525,890
Saskatoon	6,435,084	....
Prince Albert	1,294,312	1,412,382
Edmonton	14,127,974	19,708,542
Calgary	24,952,498	24,820,723
Medicine Hat	1,074,549	1,541,765
Lethbridge	2,023,643	2,464,144
New Westminster	2,069,235	2,344,847
Vancouver	59,683,832	62,695,710
Victoria	5,670,176	....

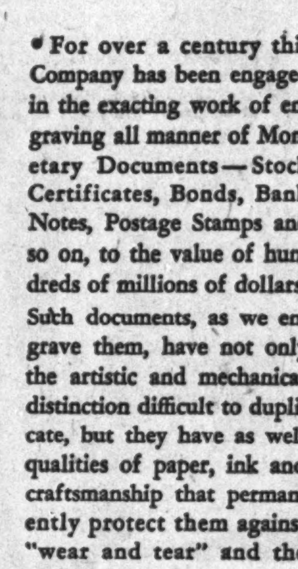
Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 30
U. S. dollar, High	.5906	1.00⅝	1.01$\frac{1}{16}$	1.01$\frac{1}{16}$	1.01⅛	1.01⅛	1.01¼
Low	.5906	1.00	1.00⅞	1.01$\frac{1}{32}$	1.01$\frac{1}{32}$	1.01$\frac{1}{32}$	1.01$\frac{1}{16}$
1934, High	.5906	.96¾	.97	.97$\frac{1}{16}$	.97⅝	.97⅝	.97⅝
Low	.5906	.96$\frac{7}{16}$	.96$\frac{7}{16}$	.96$\frac{15}{16}$	.97$\frac{1}{16}$	.97$\frac{1}{16}$	.97$\frac{1}{16}$
U. K. pound	4.8665	4.97¾	4.98¾	4.97½	4.97	4.96¾	4.97
Argentina	.4246	.2780	.2750	.2754	.2759	.2761	.2759
Australia	4.8665	3.9744	3.9841	3.9721	3.9668	3.9683	3.9692
Austria	.1407	.1910	.1917	.1915	.1912	.1912½	.1903½
Belgium	.1392	.1711	.1713	.1710	.1707	.1708	.1712
Brazil	.1963	.0575½	.0557	.0562	.0560	.0561	.0556¾
Czechoslovakia	.0296	.0419½	.0420	.0416	.0419	.0418¾	.0419½
Denmark	.2680	.2224	.2227	.2220	.2216	.2220	.2219
France	.0392	.0666	.0663½	.0667	.0666	.0666¼	.0667¼
Germany	.2382	.4068	.4081	.4074	.4069	.4070	.4075
Greece	.013	.0095	.0095	.0095	.0095	.0095½	.0095½
Holland	.4020	.6826½	.6845	.6832	.6824	.6838	.6852½
Hungary	.1749	.2999¾	.3010	.3005	.3001	.2997½	.3002
India	.3650	.3783½	.3805	.3791	.3784	.3785	.3788¾
Italy	.0526	.0823½	.0826	.0824	.0823	.0824	.0825½
Japan	.4965	.2912¾	.2959	.2922	.2919	.2916½	.2921
Jugoslavia	.1929	.0231½	.0232	.0230	.0232	.0231¾	.0232
New Zealand	4.8665	4.0145	4.0242	4.0122	4.0068	4.0083	4.0092
Norway	.2680	.2501¾	.2508	.2499	.2497	.2498	.2499¾
Poland	.1122	.1907	.1916	.1914	.1910	.1911	.1914
South Africa	4.8666	4.9531	4.9651	4.9502	4.9435	4.9454	4.9464
Spain	.1929	.1382	.1386	.1383	.1380	.1381	.1383
Sweden	.2680	.2567	.2574	.2564	.2563	.2563¾	.2564½
Switzerland	.1930	.3286½	.3298	.3290	.3284	.3287½	.3293½
Hong Kong	.5422	.5055	.5067	.5100	.5098	.5100	.5103

Vintage Tobacco makes Player's Please
Pull the red ribbon to open the wrapper.
THE finest cigarettes, like the finest wines, are made from Vintage crops. Only when the crops have been specially favoured by nature is Vintage leaf produced.
Player's
NAVY CUT CIGARETTES
CORK TIP OR PLAIN
20 for 25¢
"IT'S THE TOBACCO THAT COUNTS"

PERMANENCY



• For over a century this Company has been engaged in the exacting work of engraving all manner of Monetary Documents—Stock Certificates, Bonds, Bank Notes, Postage Stamps and so on, to the value of hundreds of millions of dollars.

Such documents, as we engrave them, have not only the artistic and mechanical distinction difficult to duplicate, but they have as well qualities of paper, ink and craftsmanship that permanently protect them against "wear and tear" and the ravishes of time.

Consequently much of the nation's wealth is represented by documents bearing our imprint, and when you are in need of engraved documents of any nature, we ask you to communicate with us.

Over 100 Years of Dependable Service

CANADIAN BANK NOTE COMPANY
LIMITED
Head Office and Works — OTTAWA
—Branch Sales Offices—
TORONTO MONTREAL

Position of Chartered Banks of Canada as of August 31, 1935, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Balance Due to Dominion Government $	Balances Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	31,156,048	36,084,397	6,949,329	....	151,807,637	392,582,259	63,383,473	2,476,270	5,376,798	3,826,475	263,758	6,906,013	1,742,223	726,779	38,000,000	36,000,000	777,281,465
Nova Scotia	11,126,841	414,802	814,615	....	36,262,505	139,120,536	38,878,869	3,756,078	241,614	1,445,590	172,438	5,600,205	116,155	363,350	24,000,000	12,000,000	274,313,603
Toronto	5,505,745	22,864	1,049,079	....	23,442,012	67,135,742	664,230	1,219,379	479,946	1,111,493	548,350	980,603	....	151,064	9,000,000	6,000,000	117,310,511
Provinciale	3,652,296	137,469	172,643	....	5,191,411	34,366,831	114,401	210	....	43,234	....	74,015	5,519	64,195	1,000,000	4,000,000	48,822,226
Commerce	26,726,988	640,124	14,732,340	....	120,712,633	291,539,313	54,516,715	2,352,071	1,352,615	8,137,426	1,276	16,091,991	....	603,844	20,000,000	30,000,000	587,407,343
Royal	31,571,744	251,477	11,057,918	....	140,798,688	279,307,358	197,216,803	865,326	583,042	8,575,150	617,696	20,822,978	60,246	711,516	20,000,000	35,000,000	747,439,949
Dominion	6,461,600	367,040	441,685	....	27,233,251	65,735,509	3,530,133	1,951,137	767,976	448,968	....	3,231,627	281,301	176,008	7,000,000	7,000,000	124,628,236
Nationale	6,872,104	276,121	1,316,931	....	21,785,696	83,375,488	1,221,633	808,280	46,893	178,400	....	859,892	175,181	147,217	5,000,000	7,000,000	129,063,790
Imperial	6,594,040	642,342	1,652,057	....	25,317,271	77,374,155	65,614	1,444,686	546,398	1,607,518	....	1,157,143	....	5,652	8,000,000	7,000,000	131,406,881
Barclays (Canada)	300,870	11,263	48	....	1,266,495	3,719,443	1,107,816	172,847	3,777,950	1,254,290	14,459	53,980	....	....	750,000	1,500,000	13,929,464
Total	129,968,276	38,847,900	38,186,645	....	553,817,599	1,434,256,634	*360,699,687	15,046,234	13,173,232	26,628,544	1,617,977	55,778,447	2,380,625	2,949,620	132,750,000	145,500,000	2,951,601,468

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	1,287,354	73,506,930	31,156,048
Nova Scotia	15,000,000	12,000,000	12	2,481,457	22,986,065	11,183,280
Toronto	10,000,000	6,000,000	10	806,303	10,938,187	5,513,435
Provinciale	5,000,000	4,000,000	6	653,224	3,301,946	3,652,296
Commerce	50,000,000	30,000,000	8	3,260,822	34,123,755	26,726,988
Royal	50,000,000	35,000,000	8	2,193,186	45,744,793	31,571,744
Dominion	10,000,000	7,000,000	10	1,117,491	7,725,556	6,461,600
Nationale	10,000,000	7,000,000	8	453,826	12,532,965	6,893,160
Imperial	10,000,000	7,000,000	10	506,740	7,011,572	6,828,423
Barclays (Canada)	1,500,000	1,500,000			868,797	302,230
Total	211,500,000	145,500,000	....	12,769,403	217,740,535	130,288,213

* Of this amount, $22,326,897 represents deposits in Canada in currencies other than Canadian formerly carried under demand and savings deposits in Canada.

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,620,262	183,503	11,162,396	67,287,462	1,786,607	512,322	23,590,130	2,704	3,876,089	36,803,395	175,762,257	132,624,456	29,937,068	3,451,605
Nova Scotia	352,898	1,401,964	2,466,915	22,986,304	613,084	2,812,997	9,630,878	....	570,936	7,829,585	32,379,781	47,706,693	12,490,850	924,478
Toronto	194,355	....	1,028,991	7,947,019	305,155	73,195	5,009,211	....	1,061,372	2,760,704	6,842,070	31,504,424	5,720,300	36,721
Provinciale	186,800		585,640	2,459,223	262,940	52,046	2,030,581	2,229,310	8,817	120,680	1,327,977	6,545,619	8,005,581	....
Commerce†	761,079	370,905	3,944,887	37,670,311	1,177,190	1,157,640	21,510,137	162,394	729,066	14,735,161	99,746,588	81,703,720	9,879,997	20,101,214
Canada‡	1,187,572	6,426,731	5,076,178	31,731,443	1,688,272	17,688,562	19,848,039	1,720	9,490,178	27,625,715	50,435,872	100,560,965	8,326,474	13,616,320
Dominion	258,968	729	1,379,416	7,823,220	517,555	129,179	5,504,120	....	726,443	1,331,302	7,641,187	21,720,358	4,416,304	651,753
Nationale§	472,273	825	1,830,893	10,111,505	480,375	96,682	4,425,868	1,314,966	67,683	678,775	6,406,527	18,127,248	16,482,547	320,603
Imperial	414,584	....	3,055,008	8,571,510	571,945	107,950	4,930,771	698,775	356,313	1,338,870	1,431,371	25,802,632	4,891,596	....
Barclays (Can.)	2,839	....	71,103	816,037	9,385	2,525	424,227	1,483,440	2,410,236	393,673	1,772,402	4,095,591	177,410	....
Total	5,451,630	8,384,677	30,581,427	192,354,124	7,473,508	22,634,098	96,903,962	5,893,309	19,287,134	93,617,860	383,856,032	470,391,706	100,328,127	39,102,694

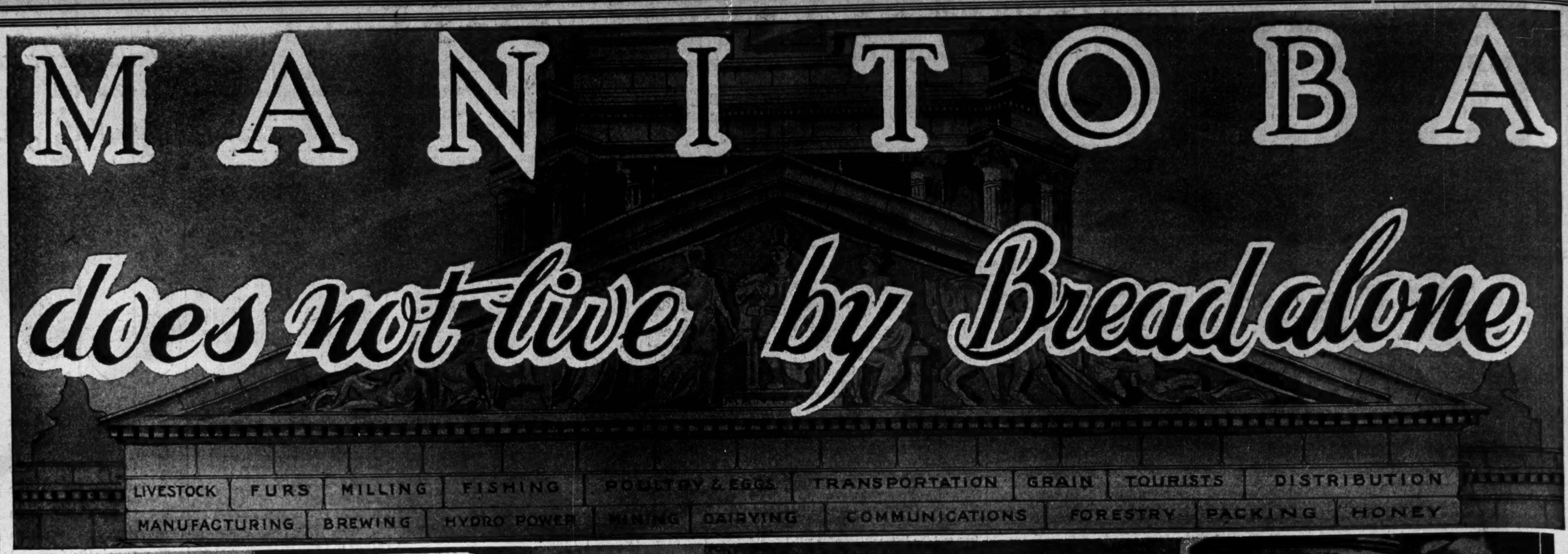
NAME OF BANK	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets $
Montreal*	6,267,262	3,956,289	21,222,301	177,424,716	14,317,489	6,916,613	33,162,490	3,755,614	710,980	826,946	14,500,000	1,686,436	202,360	779,463,776
Nova Scotia	9,436,402	4,517,742	1,868,241	79,238,204	13,601,523	596,425	7,309,063	841,876	....	102,863	7,253,556	553,561	91,955	274,938,158
Toronto	1,729,568	3,177,677	....	40,747,906	....		4,657,977	421,576		49,617	3,592,326	335,083	....	118,236,811
Provinciale	3,097,250	4,135,126	....	13,471,820	....		1,012,344	139,851	660,741	378,609	2,117,614	200,000	92,284	49,166,141
Commerce†	6,790,058	18,183,237	13,836,730	185,646,805	22,437,204	7,510,065	26,102,571	3,028,004	2,574,949	2,443,821	14,433,414	1,375,000	545,080	589,150,422
Canada‡	12,430,007	23,047,657	28,075,231	220,982,660	105,243,654	1,498,413	10,435,384	4,298,476	3,210,549	826,470	16,255,819	1,600,000	475,232	750,220,618
Dominion	2,712,311	9,026,930	3,549,202	46,170,896	245,955	....	1,171,418	384,840	81,986	30,145	5,904,219	340,000	199,504	128,161,675
Nationale§	4,382,109	5,112,094	....	34,263,136	60,013	2,979,242	12,163,330	412,471	1,240,509	392,664	6,072,943	380,508	411,136	129,836,919
Imperial	110,793	5,845,316	....	50,404,399	....	5,700,533	5,040,164	314,239	270,388	406,944	5,838,582	460,922	224,388	133,801,079
Barclays (Can.)	32,932	436,700	....	1,372,496	....			14,918		....	450,000	16,696		13,936,596
Total	46,988,692	77,438,768	68,551,705	828,629,038	155,905,838	25,201,891	101,054,741	14,301,874	8,750,102	5,464,169	76,468,772	6,859,124	2,241,930	2,962,912,192

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

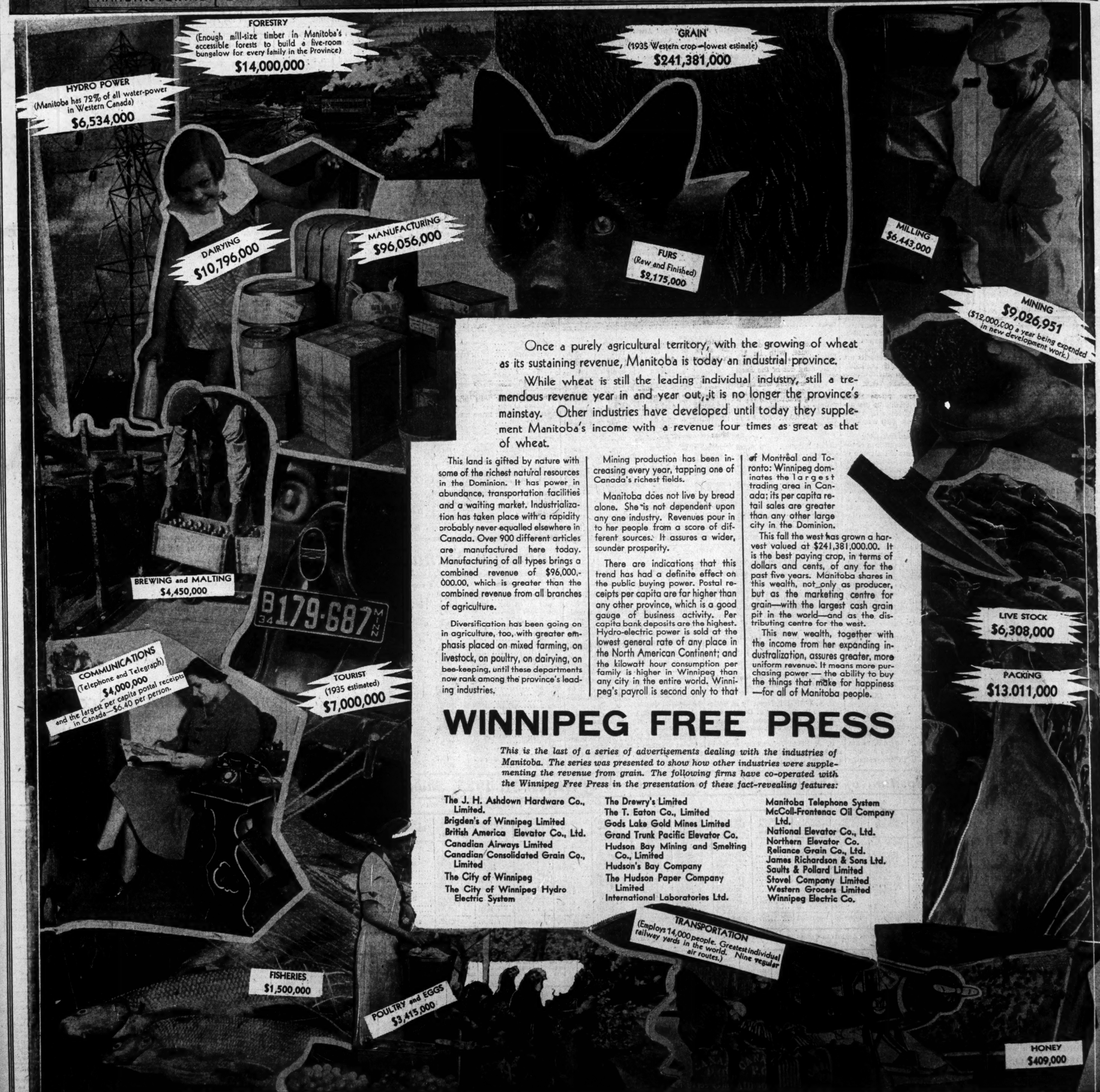
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.



MANITOBA does not live by Bread alone

LIVESTOCK
FURS
MILLING
FISHING
POULTRY & EGGS
TRANSPORTATION
GRAIN
TOURISTS
DISTRIBUTION
MANUFACTURING
BREWING
HYDRO POWER
MINING
DAIRYING
COMMUNICATIONS
FORESTRY
PACKING
HONEY



FORESTRY
(Enough mill-size timber in Manitoba's accessible forests to build a five-room bungalow for every family in the Province)
$14,000,000
HYDRO POWER
(Manitoba has 72% of all water-power in Western Canada)
$6,534,000
GRAIN
(1935 Western crop—lowest estimate)
$241,381,000
DAIRYING
$10,796,000
MANUFACTURING
$96,056,000
FURS
(Raw and Finished)
$2,175,000
MILLING
$6,443,000
MINING
$9,026,951
($12,000,000 a year being expended in new development work.)
BREWING and MALTING
$4,450,000
B 34 179-687 MINN
COMMUNICATIONS
(Telephone and Telegraph)
$4,000,000
and the largest per capita postal receipts in Canada—$6.40 per person.
TOURIST
(1935 estimated)
$7,000,000
LIVE STOCK
$6,308,000
PACKING
$13.011,000
TRANSPORTATION
(Employs 14,000 people. Greatest individual railway yards in the world. Nine regular air routes.)
FISHERIES
$1,500,000
POULTRY and EGGS
$3,415,000
HONEY
$409,000

Once a purely agricultural territory, with the growing of wheat as its sustaining revenue, Manitoba is today an industrial province.

While wheat is still the leading individual industry, still a tremendous revenue year in and year out, it is no longer the province's mainstay. Other industries have developed until today they supplement Manitoba's income with a revenue four times as great as that of wheat.

This land is gifted by nature with some of the richest natural resources in the Dominion. It has power in abundance, transportation facilities and a waiting market. Industrialization has taken place with a rapidity probably never equalled elsewhere in Canada. Over 900 different articles are manufactured here today. Manufacturing of all types brings a combined revenue of $96,000,000.00, which is greater than the combined revenue from all branches of agriculture.

Diversification has been going on in agriculture, too, with greater emphasis placed on mixed farming, on livestock, on poultry, on dairying, on bee-keeping, until these departments now rank among the province's leading industries.

Mining production has been increasing every year, tapping one of Canada's richest fields.

Manitoba does not live by bread alone. She is not dependent upon any one industry. Revenues pour in to her people from a score of different sources. It assures a wider, sounder prosperity.

There are indications that this trend has had a definite effect on the public buying power. Postal receipts per capita are far higher than any other province, which is a good gauge of business activity. Per capita bank deposits are the highest. Hydro-electric power is sold at the lowest general rate of any place in the North American Continent; and the kilowatt hour consumption per family is higher in Winnipeg than any city in the entire world. Winnipeg's payroll is second only to that of Montreal and Toronto: Winnipeg dominates the largest trading area in Canada; its per capita retail sales are greater than any other large city in the Dominion.

This fall the west has grown a harvest valued at $241,381,000.00. It is the best paying crop, in terms of dollars and cents, of any for the past five years. Manitoba shares in this wealth, not only as producer, but as the marketing centre for grain—with the largest cash grain pit in the world—and as the distributing centre for the west.

This new wealth, together with the income from her expanding industralization, assures greater, more uniform revenue. It means more purchasing power — the ability to buy the things that make for happiness —for all of Manitoba people.

WINNIPEG FREE PRESS

This is the last of a series of advertisements dealing with the industries of Manitoba. The series was presented to show how other industries were supplementing the revenue from grain. The following firms have co-operated with the Winnipeg Free Press in the presentation of these fact-revealing features:

The J. H. Ashdown Hardware Co., Limited.
Brigden's of Winnipeg Limited
British America Elevator Co., Ltd.
Canadian Airways Limited
Canadian Consolidated Grain Co., Limited
The City of Winnipeg
The City of Winnipeg Hydro Electric System
The Drewry's Limited
The T. Eaton Co., Limited
Gods Lake Gold Mines Limited
Grand Trunk Pacific Elevator Co.
Hudson Bay Mining and Smelting Co., Limited
Hudson's Bay Company
The Hudson Paper Company Limited
International Laboratories Ltd.
Manitoba Telephone System
McColl-Frontenac Oil Company Ltd.
National Elevator Co., Ltd.
Northern Elevator Co.
Reliance Grain Co., Ltd.
James Richardson & Sons Ltd.
Saults & Pollard Limited
Stovel Company Limited
Western Grocers Limited
Winnipeg Electric Co.

THE FINANCIAL POST

SECOND SECTION

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 5, 1935 | 10c a Copy; $5.00 a Year | No. 40

A Canadian Link With the East

Levon Babayan Has Grown Up in the Midst of the Oriental Rug Industry—Foresighted Purchase on Eve of Great War Provided Importer Big Lead

BY MELBURN E. TURNER

At the Muezzin's call to prayer, faithful Mohammedans unroll their little Oriental rugs, turn them toward Mecca, the Holy City and make obeisance to Allah, the All-Powerful.

Linking the Faith of the East to the Commerce of the West is the rug upon which the Mohammedan stands, kneels and salaams. For despite the fact that the prayer rug is woven for its intended use, it finds its way to the lands across the sea where no Mohammedan dwells. It enters the homes of non-believers, not as a sacred object but as an ornament or utility.

Between the East and the West there are also human links—links which make possible the distribution of the prayer rug, and many other types of Oriental rug, into Occidental homes. Levon Babayan, of Toronto, is one of these connecting links.

Significant Purchase

Had Mr. Babayan not been foresighted enough in 1914 to secure shipment of a large consignment of Oriental rugs to America before the closing of the Dardanelles, his great rug warehouse in Toronto might not have been in operation today. But he was presighted. He realized the full consequences of war. Visiting the markets of the Orient just before the nations of Europe flew at each other's throats 21 years ago, he purchased $100,000 worth of the products of the Eastern looms, and had them shipped westward immediately.

This was a most fortunate move for the Canadian merchant because the Dardanelles were closed to shipping soon after his precious cargo was on its way across the Mediterranean bound for America.

"I was afraid," Mr. Babayan told The Financial Post, "that the goods would be tied up in Turkey because of the Great War, but fortunately they got out in time."

This incident was the turning point in Mr. Babayan's career.

Enlarged Business

With this large quantity of rugs which he had bought in the year the Great War broke out, Mr. Babayan began to build up his business in Canada. Prices in 1915 and 1916 skyrocketed but he was able to offer the valuable Oriental products to the Canadian public at little or no increase in cost, and consequently the Babayan rug business prospered.

Surrounded by the products which are the means of his livelihood and by treasures rich in history, which he has gathered from the remote corners of the world, this unassuming man told The Financial Post of his struggle to market Oriental rugs in Canada.

40 Years Importing

This fall Mr. Babayan is celebrating his fortieth year as an importer.

Mr. Babayan, since his birth in 1875 in the City of Brusa, 65 miles from Constantinople, has been in the midst of the Oriental rug industry. His parents were Armenian and sent him at the age of 15 to Constantinople where he attended the Imperial Turkish Lyceum, a college of high merit. He was under the tutorial direction of French professors.

It was during these years in the great city that the boy Babayan learned to speak seven languages, some fluently, others not quite so well. These included French, Arabic, Turkish, Armenian (his native tongue), Persian and Greek. He has since become perfectly acquainted with English and has almost an Oxford accent. He says that his knowledge of these tongues stands him in good stead because, he points out, one meets many nationalities at the rug markets in the East.

High Pressure Buying Taboo

As he was acquiring his education, the boy had the opportunity to visit local markets. Here he learned to bargain for the beautiful hand-woven rugs. Here he learned that the high pressure buying of the west did not achieve much success. Gentle persuasion often induced merchants to sell their possessions much more readily. Here, also, he learned that to obtain antiques and treasures from the homes of the once wealthy Turkish families, it was necessary to talk business over a cup of Turkish coffee. Despite the fact that times have changed since he first began to visit the Turkish, Arabian and Persian markets, Mr. Babayan says that the old formalities and customs in dealing with the rug merchants of the east remain.

Left Turkey

Imbued with the idea that the west seemed to offer an opportunity for rug merchandising, and sickened by massacres, Mr. Babayan in his twentieth year came to Canada. That was in 1896. He brought a number of excellent Oriental rugs.

He landed at Montreal and set himself up into business.

During this first year in Montreal, Mr. Babayan made the acquaintance of the late Sir William Van Horne, at that time president of the Canadian Pacific Railway. Van Horne was a prominent art collector and took an interest in the young immigrant. He asked him to catalogue and describe historically his collection of eighty-five rare Oriental rugs. The job was completed to Sir William's satisfaction. Recommendations to friends followed and connections were made from coast to coast. Thus it was that Canada first came to know the Babayan name. Shortly afterward the young Armenian established himself in Toronto.

"Times Not So Good"

"Times were not so good then," Mr. Babayan remarked.

In Toronto, Mr. Babayan's first business venture was an exhibit he arranged at The T. Eaton Company's store in 1897. Soon afterward the Babayan exhibit was moved to its own store. About seven years later Mr. Babayan set up partnership with the late Paul Courian under the name of "Courian-Babayan Company." This partnership was dissolved in 1912 and Mr. Babayan continued in business for himself at his present warehouse.

In 1911 Mr. Babayan made a business tour to the Orient. On his return he visited England and in London met and later married Miss Perouz Benlian, daughter of a prominent rug merchant.

The business in Toronto was going fairly well about this time but competition and an insufficiently interested public were against the merchant. Then the war clouds began to assemble in Europe and Mr. Babayan's chance had come. Success followed his efforts to have a stock of Oriental rugs sent to America.

Educates Public

Mr. Babayan prizes highly the confidence which he has earned from the public in his 40 years in business in Canada. He has sought to educate the country to know true Oriental rugs. He has published books and pamphlets on the subject which have had wide distribution.

Mr. Babayan is so much like one expects him to be, with his greying mustache waxed at the tips, and his complexion of smooth olive, that once he steps out of his quiet warehouse, with its $500,000 stock of rugs, it seems as though he is stepping out of the East.

When he first came to Canada, everything was an uphill grind. He knew little of finance or distributing practices of the West. Today he has an expert knowledge of finance and his success is proof of his ability at marketing his products.

East and West Meet

"If I weren't able to sit cross-legged in the rug markets of the Orient and for days on end bargain with shrewd merchants; if I allowed myself to become impatient if a deal did not go through, as often happens in the West; if I could not combine patience with a fair knowledge of Western finance, I should not have all these things," said the merchant. "I shouldn't be able to conduct a rug business. In fact these rugs which are now in demand in America would be prohibitively priced over here."

Mr. Babayan does not depend on chance to increase the supply of rugs for his warehouse. Practically every year he makes purchasing tours to the Orient.

Annual Trip to Orient

These annual visits are twofold in purpose. While generally selecting a wide range of styles and designs of rugs he wishes to have sent to Canada, Mr. Babayan recontacts his staff of native trained agents in the East whose duty it is to watch the markets and buy gradually as new rugs make their appearance. The men also keep an eye open for antique treasures which eventually find their way into the Babayan warehouse in Toronto. Some of them Mr. Babayan keeps for his personal use because he likes to be in the atmosphere created by works of lost art from the mysterious and romantic Orient.

Oriental Home in Toronto

Mr. Babayan's business establishment is not the only place where Oriental antiques and products of the far-flung strongholds of eastern art are in evidence. They are also to be found in his home at York Mills. Vases of inestimable worth, age-old tapestries, curious bric-a-brac — all are arranged there so as to bring out their artistic value.

And Mr. and Mrs. Babayan are not content to furnish only the interior of their home with objects of art. They are to be seen throughout their spacious gardens.

"Armavir" is the name of his home. It is also the name of an ancient capital of Armenia. The Babayans delight in showing the visitor through this "bit of the Orient in the Occident."

Prayer Rugs

Mr. Babayan helped to clear up a number of questions about Oriental rugs which had been uppermost in the mind of his interviewer.

"Are prayer rugs in demand in Canada?" he was asked.

"Yes, oddly enough," he said after a pause. "You see the religous significance of the prayer rugs of the East is a matter of curiosity in Canada. Mohammedanism here means practically nothing as a religious influence and so there is no demand for prayer rugs for the purpose for which they are made. But the demand is in their curious styles. They find their way into many homes throughout the Dominion."

Trade Secrets

"Do the manufacturers of Oriental rugs possess secrets of which the Western world knows nothing?"

"The chromatic secrets of the Oriental are his sure protection against the encroachments of outside interests," said Mr. Babayan.

"He has learned methods that no coal tar wizard has yet been able to solve, or at least duplicate permanently. The Oriental's total shadings possess a mellowness and their glowing colors a splendor and brilliance well nigh impossible of comparison save with the marvelous hues of Egypt. These ensure permanency in the coloring of the Oriental rug. It is a known fact that the dye worker is the most important figure in the rug industry because on his knowledge depends the success of the very rug itself."

If War Breaks Out

Asked if Italy and Ethiopia were to go to war, would Canada suffer from a curtailment of rug imports, Mr. Babayan replied that it would.

"If war breaks out, the Mediterranean will not be safe for shipping," he declared. "The Suez canal and other means of entry and exit from the markets of the East will be closed. Persia will be affected and from Persia now come the majority of our Oriental rugs. However, I don't think a general war will break out. Too much depends upon international trade."

Helps Fellow Armenians

Although Levon Babayan's chief concern is his business, dealing, for the most part, with Canadians, he has always remained actively associated with organizations dealing with Armenians. He is president of the Canadian Armenian Benevolent Union, and was instrumental in building at St. Catharines, Ont., the first Armenian church in Canada.

In 1923 he assisted in bringing 110 Armenian war orphans to Canada, where they were placed on a training farm at Georgetown, Ont. Many were adopted and several are now operating farms of their own.

"Magic of the East"

The magic of the East, the mystery in every Oriental rug which comes off the looms in the Orient, is aptly reflected in the words of John Henderson, author of "The Rug of Romance," who says:

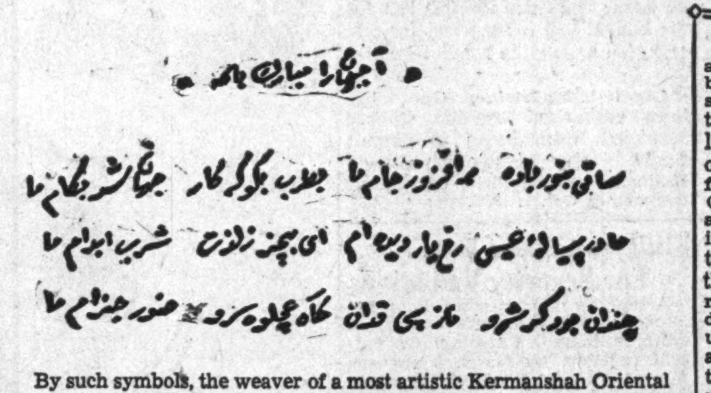
"For when I contemplate my rug, scattered with age old symbols woven cunningly in wool or silk, and patterned in brilliant colors, I dream of Persia or China, Egypt or Arabia. Let not my dreams be betrayed.

"I picture its birth; see it as it is woven strand by strand by the tapering fingers of wise people of Persia sitting in the shadow of a brilliant doorway; weaving the rug and gossiping—not as Westerners gossip, but slowly and quietly, with wisdom.

"For I know that rug weaving in the East is an important part of the life of the people; the chief recreation of the inhabitants of a multitude of cities and hamlets, an inherited habit, a second nature."

Levon Babayan, importer of Oriental rugs, has created near Toronto a home which is the embodiment of all he believes artistic in the East. Mr. Babayan is seen on the upper right, a view of his home in York Mills directly beneath. On the left is a reproduction of a photo of Mr. and Mrs. Babayan during a visit to Egypt.

No Two True Oriental Rugs are Alike



By such symbols, the weaver of a most artistic Kermanshah Oriental rug praises his God and extends his goodwill to the one who shall possess it. The symbols are intricately woven into the design of the rug and radiate the warmth of the heart of the master hand at the loom. Translated they say:

"May you be fortunate in this world.

"O! cup bearer, fill my burning cup with sparkling wine, speak to me in mirth, for I do not care for all the deeds of this world. I have seen the rosy cheek of my love in the cup of the Prophet.

"Ah! for this brief joy I still cling to my goblet; many have bowed before that stately houri. I likewise bow with respect and obeisance."

To one who fails to understand the meaning and to appreciate the toil behind the Oriental rug, much of the value has been lost.

No two rugs are alike. Each contains a different thought, a message or tale which has likely come from a weaver of ancient Persia or Armenia, Turkey or China. The message is a part of the pattern whose motif is any one of the favorite designs which for centuries have inspired the master weavers.

The value of every Oriental rug depends on three things: the fineness of weave, the design and the colors.

Weave Determines Value

Because it is made by the tying of hundreds of small knots, the closeness of the weave depends upon the number of knots or stitches in the product when it is completed. The square inch is the measure of determining the number of knots. A rug may have from 200 to 800 stitches per square inch. The more stitches, the stiffer the rug and the more valuable. Stiffness alone does not make a rug worth more, but stiffness, combined with the other good features does give it higher quality.

As in an oil painting, value also depends much on colors. These must be in harmony with the whole picture. They must be in keeping with the design and the blending of their shades must be done with care.

No Two Alike

No two Oriental rugs are alike in design, even though they appear similar at first glance. Each, therefore, has its individuality. Each is unique. The pattern itself is dissimilar, one side to the other, even though the difference be small. The branches of the "Tree of Life" design on one side may be seen to droop slightly more than on the other in some instances.

The type of design may cause a variance in the value of Oriental rugs, but the other two factors—weave and colors—are greater determinants of value.

Oriental rugs are sold according to these grades. Those of second and third grades are from 25 to 35 per cent cheaper. There is a 40 per cent ad valorem duty and in addition a charge of 20 cents per square foot on Oriental rugs entering Canada. The sales tax is six per cent and excise tax three per cent, both the latter computed on the duty paid on the value.

Persian Rugs

The best-known weaves are made in Persia. The fine silk "throne rug" from Keshan is one of these, and is used exclusively in the East to adorn the throne of the Shah of Persia on special occasions. The Royal wool Keshan is also well known but is of lesser importance in the East. Both are characterized by their deep mulberry and wine shades with medallion design. The silk Keshan has from 600 to 750 stitches per square inch and the wool Keshan from 300 to 600.

Kirmanshah rugs, also from Persia, are made in various sizes. Many of the outstanding prayer rugs are Kirmanshahs and have either the medallion, or the Tree of Life (the creation) design. They range in weave from 350 to 500 stitches to the square inch. The Kirmanshahs are made in delicate shades of ivory, rose and blue and are in great demand in world markets.

The Royal Sarouk rugs are of firmer weave and are heavy in nap. They possess great wearing quality and are one of the most popular Persian makes in Canadian homes. The design of the Sarouks is spread over the entire surface and is generally of the floral variety with a deep red field. Blues, and browns predominate in the pattern.

From Turkestan come the Royal Boukhara rugs with their famous old weaves and oval patterns. They are generally known by their rich red and wine colors which are the most prominent on the field. The best specimens have about 400 stitches to the square inch. Old pieces of Boukhara rugs are rare, having been purchased by collectors.

Imitations

Imitation Oriental rugs are the products of machinery. Their designs are generally too perfect in similarity of detail. Real Oriental rugs are irregular in pattern. Their colors are, in the majority of cases, uniform throughout the fields. But one of the chief differences between imitations and true Oriental rugs is the absence of the pattern on the under side of the former.

Native Uses

Of all the rugs possessed by a native, probably the prayer rug, or Namazlik is the most important if he be a Mohammedan. Five times daily he kneels on this with the point of the niche directly toward Mecca.

Bath rugs or Hammamlik are usually square and are used, not in the bathroom as one might naturally suppose, but on the rude divan in the outer reception room of the public bath houses. Floor rugs in sizes of four to five feet and six to eight feet long are called Sedjadeh (hearth rugs). Runners or Kenarli, are made for the purpose of covering the low divans which are practically the only form of furniture in the houses of Asia Minor. The hearth rug, or Odjeklik, is one of elaborate design and impressive coloring with usually a pointed field at both ends as with the prayer rug. The field is the design in the central part of the rug. Regardless of the warlike attitude of the nomads, a stranger who once gains admission to the chief hut or tent and places foot upon the hearth rug gains the protection of the chief who with the whole tribe is bound to protect him as guest.

Meaning Often Lost

The meaning of many of the mystic figures used in historical Oriental rugs has been lost. Many patterns of modern rugs are known to be quite smilar to carpets of centuries ago. Major designs, however, have changed little.

The Assyrian Sacred Tree motif is encountered with great frequency, for it is the symbol, as might be termed, of hope itself. The Tree of Life is usually represented by a cypress because that variety suggests unending life. Some few Oriental rugs contain much inscriptive weaving, particularly the antique prayer rugs of the Shah Abbas period. For instance, the dragon is always traceable to the Ming influence of China.

Four Years in Making

The method of weaving in the East is exceedingly tedious. At times the whole family and neighbors take a hand on a large piece. There being no regular factories, of the type familiar in occidental countries. the weaving is carried on in their homes, which consist of mud huts or tents, or in the open air. The regularly employed weavers receive about 20 or 30 cents in English money daily, with very skilful weavers commanding more.

The apparatus used for weaving is complicated. It is a very primitive affair consisting of four rough poles joined together with ropes and regulated according to the size of the rug to be woven. The skilled and patient weavers sit cross-legged, or kneeling, a trifle higher than the ground, in front of the looms. It often takes four years to complete a rug seven by four feet in size.

New Books

Pattern for Socialism

Canada's Radical Brain Trust Presents Design for New Society

SOCIAL PLANNING FOR CANADA. By the Research Committee of the League for Social Reconstruction. Published by Thos. Nelson & Sons, Toronto. Price $3.75.

Here finally we have the programme of the Socialists for Canada. It is not a Communist programme and it is not a programme of State Capitalism. But it is a very frank exposition of the doctrines of Canadian Socialists, doctrines that are expressed politically through the C.C.F.. Here the C.C.F. Brain Trust states what they would hope their political functionaries would do if they obtained political power sufficient to carry out a reconstruction of Canada's economy.

The authors are drawn almost entirely from the Universities and—if the phrase may be used without sarcastic connotation — circles of pink intellectualism. They are paper planners who would be aghast if they had the power to carry out their objectives. One must not expect of this book that it express the viewpoint of the so-called "practical" mind. The authors do not profess to be "practical" men.

While no doubt it is intended as a textbook for C.C.F. political candidates and for Socialist study groups the publishers are right in claiming that it will be of interest to non-Socialists who want to have a clearer conception of what Socialists mean and would do if they had a chance in Canada.

Critics of Capitalism

The first 200 pages were the simplest to write. They are merely a criticism of the existing Canadian economy, not exactly a complete and fair criticism for the authors, feeling the need to demonstrate Capitalism's failures, have ignored the whole forest to turn the spotlight on a few withered trees. They have no difficulty in arriving at the conclusion that they obviously intended to arrive at, that the patching up of Capitalism is not enough and that a radical change is essential.

And so with sympathy in their hearts and satire in their pens, with the report of the Price Spreads Commission lying open on the desk before them, they hammer rude jolts at what Mr. Woodsworth calls "the easy optimism, which hitherto has characterized our youthful nation in this land of imagined unlimited opportunities."

They indict "the failures and contradictions of Capitalism," which is not difficult for there are always weeds in the rose garden and if one does not look at the roses one will see the weeds. Any Capitalist writer could do as good a job. The independent writer would attempt the somewhat different technique of weighing in the scales the achievements of Capitalism on the one side and the failures in the other pan in an attempt to see wherein the balance truly lies.

Claims Versus Results

The volume begins in the orthodox style of the Socialist critique by comparing one or two of the claims made by outstanding individualists, notably Herbert Hoover, for our present system and then contrasting these claims with easily discoverable low wages, bad housing, unequal distribution of incomes, etc. "The land of rugged individualism," the authors state, "the land of the sturdy virtues of pioneers, has become the land of the relief camp and the municipal refuge." Finding no genuine desire for social justice and no true belief in the golden rule among so-called privileged classes, the authors attempt to prove that the tax system and the law are used for strengthening the Capitalist class in their position; that culture and leisure are reserved for privileged people; and that religion has found a formula for serving both God and mammon. Accepting the familiar outline of the rigidities inherent in our economic structure, they claim that we have solved this problem in Canada by squeezing the farmer, the working man, and the civil servant and to a lesser degree the shareholders in our export industries.

"State Capitalism"

Concentration of corporate control and the influence of interlocking directorates are dealt with at length and the fundamental philosophy of the Price Spreads report, that free consumer choice is as much a myth as free competition, is elaborated. The authors feel that not only has the free market ceased to exist in Canada but that it is impossible to get back to it. They have little faith in the present type of government intervention and regulation, although in few capitalist states does the government play a larger part in the functioning of the country's economy than in Canada. They see all our measures of state intervention as merely efforts to bolster up the Capitalist system. Even public ownership is declared to be on the lines of state Capitalism which is not Socialism.

The supposed inefficiency of Capitalism is demonstrated by a study of overexpansion of industry, of booms and depressions and of losses through war. And the conclusion is reached that, since Capitalists cannot plan, and since planning by the state is essential if we are to reach the fruits of the real efficiency which science has made possible, we must have a Socialist economy.

The authors attempt to answer the argument that, under Socialism initiative would be curbed by asserting that the business man's delight in the game could be enlisted for the public good as much as for the private good. "The pioneer spirit is not dead," it is asserted, "but the frontier has shifted from the physical to the intellectual and the spiritual." Thus, the enterpriser under the Socialist state will have every incentive to do his best but the incentive will be different.

Stealing By Taxes

The authors weaken their claim to intellectual morality by some of their references to the manner in which they would meet certain of the obvious problems of converting Canada to a Socialist state.

One of these problems is the difficulty of our large foreign investments. It is frankly admitted that when we socialize industry, it is going to be very difficult to get rid of the foreign investor. The domestic owner can be "compensated" and then the compensation can be taken away from him in drastic income and inheritance taxes! This is as blunt an argument for stealing under aegis of the state as one can have. It points to the sort of difficulty the Socialist is up against when he attempts to find a middle ground between the extremes of Individualism, with its emphasis on private property, and Communism, with its emphatic distaste for ownership of any kind.

The same sort of difficulty faces the authors when they discuss the manner in which they would socialize even our public ownership enterprises, which they consider State Capitalism rather than Socialism. They feel that compensation would have to be paid to all those from whom enterprises would be taken over, but again it is urged that this compensation should be taken away from the owners by drastic taxes.

Brain Trust Group

So much for the first half of the book which presents the Socialist view of Canadian Capitalism, and the argument for a new social system. In a later issue the volume's definite proposals for the establishment of a Socialist state in Canada will be reviewed.

The authors of "Social Planning in Canada" are F. H. Underhill, Toronto; Eugene Forsey, McGill; J. King Gordon, Montreal; Leonard Marsh, McGill; J. F. Parkinson, Toronto; F. R. Scott, McGill, and Graham Spry, Toronto.

$3,000 a Year Social Credit's Lure for Votes

A. J. Logan, Yorkton, Sask., has formed a $3,000-a-year Club, of which he is president, sponsoring a "social credit" plan which outdoes that of Premier William Aberhart of Alberta. It is part of "social credit" campaigning in Saskatchewan for the federal election.

In addition to offering a "social credit" dividend of $25 a month, Mr. Logan claims his plan would end poverty in Canada forever. At the end of each year a further minimum national dividend of $3,000 per person would be paid. Mr. Logan claims the annual dividend would likely average $5,000.

To bring this about, the government, Mr. Logan says, must take over the issue of all currency.

August Power Output Reaches All-Time High

Electric Stations Set Record in Exports and Firm Power

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada produced more energy last August than in any other month on record. According to returns tabulated by the Dominion Bureau of Statistics production totalled 1,851 million kw.h. This is in contrast with 1,677 million kw.h. in August last year and with 1,792 million kw.h. in July, 1935.

Other marks were set up by the industry. Exports to the United States at 130 million kw.h. were the heaviest since February, 1931, and were 12.3 per cent over the August, 1934, exports.

Deliveries to electric boilers were lighter than in July, but increased from 351 million kw.h. in August last year to 401 million kw.h. this year.

Firm Power Record

The index number of firm power consumption in Canada increased from 172.62, the previous peak made in July, to a new record at 173.83.

Examination of the returns shows that all five economic areas produced more power in the first eight months of this year than for the corresponding period in 1934. Quebec continues to hold the lead by a wide margin, producing over half of the Dominion total and nearly twice as much as Ontario.

New Output Figures

Comparative figures on production for the first eight months of 1935 and 1934 follow:

(Thousands of Kilowatt Hours)

	1935	1934
Maritimes	527,659	500,633
Quebec	8,134,607	7,295,737
Ontario	4,331,264	4,002,982
Prairies	1,034,782	946,029
B. C.	994,442	927,182
Total	15,022,764	13,672,563

Firm power demand in August was the greatest ever reported by the industry. The returns indicate that Ontario is steadily recovering lost ground, but Quebec still ranks as the leader, largely through the increasing amounts of power sold for electric boiler use. Consumption in the Maritimes, however, runs contrary to the trend reported by other areas. Demand in August this year was less than in 1934 and was only slightly ahead of the 1933 returns, but cumulative figures still show an increase.

Consumption as reported by the five areas for the first eight months of 1935 and 1934 follow:

(Thousands of Kilowatt Hours)

	1935	1934
Maritimes	517,467	491,679
Quebec	6,345,455	5,718,821
Ontario	5,280,242	4,764,791
Prairies	1,046,299	956,837
B. C.	982,572	916,085
Total	14,172,035	12,848,213

Electric Boilers Important

Up to the end of August this year deliveries of power to electric boilers aggregated nearly 500 million kw.h. more than in the same period a year ago. The Maritimes was the only section to report a decline, as shown in the following tabulation covering deliveries from January to August in 1935, with comparative figures for 1934:

(Thousands of Kilowatt Hours)

	1935	1934
Maritimes	35,187	38,081
Quebec	2,765,249	2,458,546
Ontario	814,877	806,874
Manitoba	160,533	141,074
B. C.	1,714	1,236
Total	3,773,563	3,361,811

B. C. GOVERNMENT PLANS TO PROCEED HEALTH INSURANCE

Province Firm Despite Business and Medical Opposition

From Our Own Correspondent

VANCOUVER.—Discounting the determined opposition of business leaders, industrialists and medical men, the British Columbia Government proposes to go ahead with its plans for establishment of health insurance in this province.

Government spokesmen, answering the protest that the province should wait for the federal authorities to act and should not set out on a tangent of their own, contend that if the federal government does adopt an insurance programme, the B. C. plan could readily be incorporated into it. There is little doubt that an insurance bill will come before the next session of the legislature. The original plan, however, is being modified to some extent. Benefits and costs will be less than were first proposed. Starting in a small way, the system can be built up and expanded in the future if this is found advisable and the public demands a larger medical service. As the Co-operative Commonwealth Federation, important factor in the opposition, favors state medicine the government foresees little difficulty in the way of its proposed legislation.

Opposition to state health insurance from business and industry lies in the argument that the province cannot stand additional costs of social legislation at this time; that individual industries can handle medical aid and hospitalization more cheaply and effectively and that the government has underestimated the inevitable expenditure necessary. Medical men believe the system will be unworkable. They point out that in England only 38 per cent of the population is covered by insurance, and in British Columbia coverage of 75 per cent is the objective. They held that under such a plan many people who could easily afford medical treatment would be supported by the government.

New Great-West Life Appointments

DONALD R. FERGUSON **DAVID E. KILGOUR**

Following resignation of Gordon C. Cumming to become general manager of Monarch Life, Donald R. Ferguson has been appointed supervisor of field service for the Great-West Life and David E. Kilgour, inspector of agencies.

Mr. Ferguson has for four years been inspector of agencies and for four years prior to that was district organizer in the field. Mr. Kilgour has been in the company's agency department for two years.

Insurance Inklings

London Life Insurance Co. recently entered action to foreclose a $140,000 mortgage on an apartment house in Windsor, Ont. The company claims that $25,000 in interest is also owing according to the Windsor Daily Star.

Defendants are the Biltwell Construction Co. and Edward Wilkins, trustee of the property of William Goldstein. The mortgage was made in June, 1929.

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DOUGLAS A. MACDONALD, formerly of the industrial staff of London Life at Saint John, N.B., has been appointed superintendent in the company's Montreal, N.D.G. office.

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C. V. EARL, manager of the Toronto Victoria branch of the Sun Life, completed twenty-five years with the company recently.

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CHARLES S. PATTERSON has been appointed assistant advertising manager of the Excelsior Life. He formerly was with the McConnell, Baxter & Eastman advertising agency in London.

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L. J. SAVARD, formerly inspector at Montreal for the American Insurance Co. and affiliated companies, has been appointed manager of the French department of Johnston, Jennings Inc., Coristine Building, Montreal.

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E. M. WATT, Toronto, has been appointed Canadian chief agent for the Loyal Life Insurance Company, which has received a certificate of registry authorizing it to write life insurance.

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VANCE JOHNSON, LTD. has been appointed chief Montreal agents (fire department) by the Ocean Accident and Guarantee Corp., Ltd. It has represented the Ocean as casualty agents for 23 years.

• • •

LONDON BRANCH of Sun Life of Canada under the leadership of J. N. MERTZ, branch manager, and ROY S. DALE, assistant manager, led all agencies in Canada in the production of new paid-for business during September.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

My Life Policies

I would appreciate some advice about life insurance companies. How do they stand with the Dominion government? Does the government stand behind policyholders and how far?

The Federal government makes no attempt to "stand behind" the individual insurance policy issued in this country. However, every company doing business in the Dominion has to register with the federal insurance Department and be licensed with one or other of the provincial governments. In this way a strict supervision is maintained of the companies and specific requirements as regards policyholder reserves, invested assets and so forth are maintained.

In other words, the government sets out the basis on which the companies must set up reserves for the protection of policyholders and sees that these are enforced. It also prescribes the type of investments in which companies may place their assets.

In addition, the government also exercises a close supervision of each company by way of inspection, annual reports and so forth. If the company has its head office outside Canada, it is required to deposit at Ottawa with the Receiver-General sufficient money to meet all its obligations in this country.

It is the rather proud boast that no policyholder in Canada has ever suffered the loss of a dollar through the failure of a life insurance company to meet its obligations in this country.

BUSY PROGRAMME PLANNED BY AGENTS

Important Speakers to Address Ontario Fire Casualty Agents' Assoc.

Outside speakers who will address the annual meeting of the Ontario Fire and Casualty Agents Association at Toronto, Oct. 17 and 18, include:

G. D. Finlayson, federal insurance superintendent: "Sixty Years of Insurance Supervision in Canada."

Hon. Owen B. Hunt, insurance commissioner for Pennsylvania: "Insurance in the New Era."

Hon. Arthur W. Roebuck, attorney-general for Ontario: "Insurance Legislation."

E. J. Cole, immediate past president of National Insurance Agents Association.

Other matters under discussion include: credit and free insurance evils—introduced by John T. Truman, Hamilton; fire and automobile insurance legislation; agency qualification law, marine underwriting.

The meeting will be in charge of T. E. Clendinnen, president of the association.

May Ship to Scotland

A number of New Brunswick apple growers are considering making shipments of McIntosh Red apples to the Scottish market this year. The apple crop in the province is expected to run to about 35,000 barrels, or slightly more than last year.

Exchange Control Benefit Limited to Currency Aid

In a recent speech before the Toronto Board of Trade, Emil Sauer, retiring United States consul-General in Ontario, considered the effect of foreign exchange control, which he stated has developed into a highly complicated and efficient system.

"On the whole," said Mr. Sauer, "we may say that it has temporarily helped certain countries, in exchange difficulties, to obtain equilibrium in their exchanges and has no doubt saved the currencies of various countries from complete collapse.

"However, when countries proceed beyond the original purpose in an endeavor to secure special advantages through exchange control and through tariff policy, the effects have on the whole been disappointing. This has been for the reason that they at once invited countermeasures by other countries. It is an impressive fact that some of the countries which instituted the most drastic exchange control are by this time facing a serious problem of how to obtain sufficient resources to pay for necessary imports when but a short while ago they seemed to believe that they could make themselves sufficient to a much greater extent than they were actually able to do.

Prices Raised

"Another result of exchange control is even more closely linked with tariff policy. That is that it has enormously raised prices in the countries affected. I need to give but a single illustration of what I mean. In some of the European countries with drastic exchange control, the millers have to pay from two to three times as much for a bushel of wheat as the Canadan exporter gets. When the people have to pay so much more for necessaries out of their income, they naturally have less to spend on other things they may need or desire. The general tendency has been to lower standards of living."

MUNICIPAL FINANCES

Montreal has been granted authority by the Quebec legislature to spend $400,000 to repair its mountain side reservoir so as to stop the seepage now undermining the foundations of the McGill University Biological building. City engineers reported that the work is a necessity.

• • •

Regina's tax collections, Jan. 1 to Sept. 21, were $122,433 above those of the same period a year ago. Total collections amounted to $1,428,660 compared with $1,306,226 a year ago as of Sept. 21. Current taxes in the period are $40,752 ahead of last year, the comparative figures being $1,071,870 to $1,031,098. Arrears and redemption are $81,261 ahead, the figures being $356,790 to $275,128.

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Edmonton's cost for relief is higher this year than last despite the fact that there are fewer on relief. Expenditures to date totalled $744,011 compared with $718,114 for the same period last year. The average number of families on relief this year has totalled 2,156 compared with 2,229 last year. Relief for single women and girls this year cost $13,174 as against $17,765 last year.

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Winnipeg's share of direct unemployment relief costs for the eight months period ending Aug. 31 was $1,304,000. The total cost of relief amounted to $2,288,980. Since the Government instituted the policy of giving the province a flat sum of money in place of one third of the total cost, the city's share has been increased to 46 2/3 per cent.

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The combined surplus of **Edmonton's** five city-owned utilities is well ahead of last year, the increase amounting to $30,445. The total for the eight months ending Aug. 31 was $543,695 compared with $513,250 for the same period last year.

The combined net profit in August was $51,521 compared with $52,462 in the same month of 1934.

The eight month profits are as follows:

	1935	1934
	$	$
Electric light	151,349	134,512
Power plant	185,735	191,404
Telephones	111,077	103,269
Waterworks	77,160	75,819
Street railway	18,374	8,246
Total	543,695	513,250

• • •

The deficit on the operation of **Calgary** Hospital for the first eight months in 1935 was reduced from $64,018 of last year to $45,401 this year. The charge to the mill rate for August totalled $4,885.

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Yorkton's Sask. senior board of trade has endorsed a plan submitted by the city council for the rerouting of the two railways serving the city and the building of a new union station and express offices.

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Regina's $122,500 works programme has been begun. Nearly 200 relief recipients began work when the programme was initiated.

From 40 points taken at random in the **Moose Jaw** district, the average yield of wheat this year was found to be from 11-13 bushels per acres, compared with 3.6 bushels per acre in 1934, 6.5 in 1933 and 7.7. in 1932.

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Moose Jaw city tax collections as of Aug. 31 amounted to $514,680 compared with $401,080 for the corresponding period of 1934. A tax collection campaign has been inaugurated in this city and the committee in charge of this is to renew efforts before the close of the year to further increase the collections.

• • •

Toronto's customs and excise revenue hit a new high for a single day's transactions on Oct. 1 when a total of $809,492 was paid in during the day. Revenue for the month of September totalled $3,974,411, a gain of $429,880 over September of last year, the biggest September since 1929.

• • •

Calgary has been tentatively granted credit by the Bank of Montreal for 1200,000, the amount which will be received by the city by way of a federal government loan. Mayor Davison stated that in view of the fact that the actual money may not be received until later, it was thought advisable to ask the city bankers, the Bank of Montreal, to continue the city's line of credit on the understanding that the city would assign to the bank the amount the Government had advanced. Debenture interest payments totalling more than $50,000 were made Oct. 1 and an unstated amount of money was said to be required for salaries of city employees at the end of last month.

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Calgary's revenue from all sources at the end of the first eight months of the year show an increase of approximately $48,000 over collections for the same period last year, in spite of the fact that the 1935 levy was below that of the 1934. Total revenue for the eight months' period to $3,285,939, compared with $3,238,971 last year. Tax collections totalled $2,966,990. During the same period year, general tax revenues totalled $2,512,323.

It has been indicated that any money spent over and above the $3,250,000 budget which the finance commission plans to spend for **Windsor** next year will be spent at the bondholders' expense. In the event of an increase in welfare costs or should the municipality be called upon to bear a greater share of relief, this extra expense will have to be borne from the $750,000 left for the budget and ear-marked for distribution among the bondholders.

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Cap-de-la-Madeleine, Que., has been authorized by the Quebec Municipal Commission to deposit funds in the Banque Canadienne Nationale for payment of interest coupons of Oct. 1, 1935.

AUSTRALIA HELPS CANADIAN NEWSPRINT

Commonwealth Removes Primage — Advantage Over Foreign Makers

From Our Own Correspondent

MONTREAL.—Further strengthening of the position of the Canadian newsprint manufacturers in the Australian market is seen in the announcement that the Australian Government has abolished primage (percentage addition to freight) duties on newsprint.

Removal of primage on newsprint will enable this product to enter Australia free, if the Commonwealth assesses no other taxes on it. Primage duties correspond to the excise duties of three per cent Canada levies on all imports from foreign countries. In Australia, however, the duties are variable and are applied before regular customs duties. They are used only for revenue purposes.

During the fiscal year ended November 30 last, Canada shipped over $3.8 millions of newsprint to Australia. The advantage to the Canadian manufacturers, in the removal of primage is seen in the fact that the customs rate on foreign newsprint is £4 (Australian) a ton, or roughly $15.88 Canadian funds.

Alberta Livestock

Livestock census of Alberta as taken by card survey in June by the feedral bureau of statistics shows a slight increase in cattle and some decrease in the hog population.

Finlayson Seeks Data For Security Valuations

A lengthy memorandum has been issued to life insurance companies doing business in Canada under federal registry, by G. D. Finlayson, federal superintendent of insurance regarding security valuations for 1935.

The memorandum sets forth at some length the basis on which special valuations must be made and gives instructions for preparation of special data to be submitted to the department. The superintendent asks particularly for speedy and complete details of all securities purchased or acquired between December 31, 1934, and Sept. 18, 1935, and for a subsequent list covering subsequent purchases to the end of the year.

Alberta Cattle Exports

Total shipments of cattle to the United States markets from Alberta since the beginning of the year have been approximately 30,800 head.

MOST MOTOR CARS REPORT DECLINES AUGUST SALES

Pontiac and Packard Are Notable Exceptions Compared With '34

Motor car sales moved more slowly during August in the Eastern Canada area. Figures reported to The Post by Canadian Automotive Trade from data supplied by Mights Directories show total passenger car sales of 3,449 units—a decline of 40 per cent from the July total and 75 units less than corresponding sales a year ago.

*Reason for the decline is the slowing up in deliveries and sales efforts as news regarding the early introduction of new models became general.

Ford Makes Gain

Ford led the list and increased its lead over Chevrolet which had been narrowed materially the previous month. Neither makes sold as many units as in the same period last year. Outstanding gains compared with August, 1934, were in Pontiac which sold more than twice as many cars; in Plymouth, Chrysler, DeSoto and Packard.

The record of Packard to date has been a feature of the automotive world. Total sales in Canada in the first eight months of 1935 have been 455 units compared with but 83 the previous year. This spectacular gain is due to the introduction of the new "120" line which has proven extremely popular.

Cumulative sales of all cars in the Eastern Canada area during the first eight months are still 28 per cent greater than in the same period a year ago.

Comparative figures follow:

Makes	Aug. 1935	Aug. 1934	1st 8 mos. 1935	1st 8 mos. 1934
Ford	855	907	14,791	9,559
Chevrolet	757	859	11,135	10,703
Plymouth	382	339	5,664	4,466
Dodge	343	361	5,226	4,400
Pontiac	253	119	3,211	1,616
Oldsmobile	238	281	3,776	2,029
Terraplane	116	133	1,478	1,318
Chrysler	83	66	1,402	1,221
McL.-Buick	76	151	740	1,613
Packard	58	14	455	83
DeSoto	52	16	543	179
Studebaker	41	58	743	758
Hudson	38	77	659	776
Nash	29	13	192	56
Graham	26	39	450	441
Hupmobile	24	23	275	167
La Salle	22	18	121	71
Lafayette	19	12	145	142
Cadillac	7	9	64	82
Reo	5	12	117	94
Company Groups				
Gen. Motors	1,355	1,437	19,047	16,114
Chrysler	860	782	12,835	10,266
Ford	855	908	14,797	9,567
Hudson	154	210	2,137	2,094

CONCENTRATED MILK PRODUCTS INCREASE

Production for Eight Months Up 16 p.c. Over Year Ago

Production of concentrated milk products in Canada for the eight months ended Aug. 31, 1935, was almost 75 million pounds or an increase of 16 per cent over the corresponding period of 1934. The manufacture includes condensed and evaporated milk, milk powder, buttermilk powder, casein, and milk sugar. The amount of these products held in cold storage at Sept. 1 was slightly higher than in 1934.

Evaporated milk shows an increase in quality exported with the figures of a year ago but exports of condensed milk and milk powder were lower. Importation of concentrated milk was very small.

By far the most important manufacture in the list was evaporated milk in case goods which amounted to well over 48 million pounds. Skimmed milk powder amounted to 13.5 million pounds.

WANTED
DISTRICT MANAGER
for
LIFE INSURANCE COMPANY

A prominent life insurance company is desirous of securing the services of a qualified life insurance man for the position of District Manager of its Northern Ontario Branch—an already established Agency. An attractive contract will be offered to the right man. Replies confidential.

Apply Box 238, THE FINANCIAL POST, Toronto

THE DOMINION LIFE
ASSURANCE COMPANY
HEAD OFFICE • WATERLOO . ONTARIO

Let the "INCOMETER" help you analyze your Life Insurance Programme. It tells what income your present insurance will bring—or how much more protection you need to give the income you want. Write today for free copy.

FIRST POLICY ISSUED 1889

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters
FRANK E. HAND
Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

STABILITY

A Brief for Employers

Most employers are faced at some time with the problem of retiring faithful employees who have outlived their usefulness but are still dependent on their job. Most employers, too, have some feeling of obligation in these cases, but the cost of retiring aged employees may be quite beyond the financial means of the business or industry.

The Great-West Life Salary Savings Plan (Automatic Payroll Deduction) meets this situation and can be easily installed and operated without expense or outlay. It is fully explained in an interesting "Brief for Employers", a copy of which will be sent you upon request. Write to our Head Office or nearest Branch Office.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE...WINNIPEG, CANADA

United States
Fidelity & Guaranty
Company
TORONTO

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office:
Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

SECURITY
—for yourself
—for your family
1865

A SUN LIFE PENSION BOND with ASSURANCE gives you both, safeguarding your loved ones during your earning years and guaranteeing an unfailing income when you reach retiring age.

Ask your nearest Sun Life representative for the leaflet

"How to win both ways". 1935

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE MONTREAL

Vote "YES" for Security

Security and Satisfaction ☒
The hazards of uncertainty ☐

The purchase of a life insurance policy is a vote for security. The purchase of a Northern Life policy is a vote for life insurance satisfaction.

A Northern Life policy guarantees:
(*a*) Income for your family in the event of your early death.
(*b*) Income for yourself in old age.

These benefits are assured. Northern Life policies are backed by — a strong financial position — good management — unquestioned integrity.

Let a Northern Life salesman tell you how you may cast your vote for life insurance satisfaction.

37
Northern Life
Assurance Company of Canada
Established 1897 Home Office: London, Canada

Watch Dogs of Power

This illustration is reproduced from the first policy issued by this Company on the 9th day of October, 1875.

For 60 years

SIXTY years ago industrial power was a giant in infancy. It didn't move the means of transport very fast. It didn't do a tithe of the myriad tasks it does today. But it had already demonstrated its potential destructive force. It was a young giant leashed. To serve industry it had to be kept leashed. This necessity founded the service of The Boiler Inspection and Insurance Company.

In sixty years the giant has become gargantuan.

With it, the watchman has grown and gained in knowledge and experience.

51.72% of all boiler and machinery insurance in force in Canada is on the books of The Boiler Inspection and Insurance Company alone. The remaining 48.28% is divided among 19 other companies.

The predominance of The Boiler Inspection Company in the field of safeguarding industrial power rests on the fact that this company has specialized exclusively in engineering insurance. It is the only Canadian company so specializing. Its sixty years of specialization enable it to offer Canadian industry a protective service of tremendous value.

This company is today equipped to furnish expert advice and service in connection with the installation and operation of boilers, tanks and other pressure vessels—steam engines—compressors—steam and water turbines and all kinds of electrical machinery.

THE BOILER INSPECTION AND INSURANCE COMPANY OF CANADA
1875 — Founded Sixty Years Ago — 1935
Engineering Insurance Exclusively

806 The Bank of Nova Scotia Bldg. Montreal
908 Federal Bldg. TORONTO
221 Curry Bldg. Winnipeg

Blame Carelessness for Most Preventable Fires

COST OF FIRES FALLS HEAVILY ON TAXPAYERS

Fire Premiums Actually Paid by Buyers of Goods

BY. T. ALFRED FLEMING
Chairman, National Fire Prevention Association

We might enjoy the spectacle of seeing the fire engines go by less if we realized that we are paying the cost of that run and also the value of whatever is burned. The cost of equipment, maintenance and operation of the fire department is an essential item in every municipal budget supplied by tax funds. As fire calls increase, taxes must increase.

No one likes to be taxed. Receipt of a tax bill is generally the beginning of a storm of disapproval. We deplore the income tax, the gas tax, the sales tax and the inheritance tax and beg for relief. If someone presented us with a bill for the fire tax annually, we would raise a howl that would reach high heaven, yet we are paying it just the same. It is included in the cost of everything we buy, from food and clothing to machinery and fixtures. Nothing escapes. All the fire loss plus the cost of doing business is passed on to the ultimate consumer through the channels of industrial trade. Over 85 per cent of the fires of 1934 were caused by carelessness or design.

Enemy of Industry

Fire is always a deadly enemy of industry: if a factory burns, men are thrown out of work, investments are lost or impaired and the entire community shares the adverse effect of lost purchasing power and destroyed opportunity. Taxable property is removed from tax rolls and the resulting decrease must be made up by the more careful and fortunate. Fire prevention is both a duty and an obligation: it means actual savings to us all.

Construction Counts

Usually the first five minutes determine whether or not a fire will become a conflagration. Construction conditions which permit the spread of superheated air, gases and flame throughout the building before the fire department arrives assist in spreading flames until the entire building is involved and the community endangered. The fault rests with the architect in planning the building. It is easy to determine the hazardous sections of the structure. These can be cut off so as to preclude the early spread of dangerous products of combustion and then equipped with suitable automatic alarm devices. Fire-stopping of walls, protection of vertical openings, such as stairways, elevator shafts and ventilating flues, will resist fire spread and give time for fire department response. Statistics show that one per cent of the number of fires produces over sixty per cent of the financial loss.

Residence Fires

The startling and continuous increase in the number of fires in residences calls for direct and immediate action. Fifty-six per cent of home fires originate in the basement. An open cellar stairway, unprotected clothes chute, dumbwaiter or open spaces in the walls or partitions, allow deadly fumes to pass upward almost immediately, thus endangering the lives of occupants and involving the entire building in flames before the alarm is sent in. Over fifty per cent of the home fire loss of life and property might be saved by fire-stopping walls, placing tight-fitting doors on clothes and other chutes, covering the ceiling with metal and good cement plaster, placing a heavy two-inch solid hardwood door at the stair landing and installing a fire detector to give notice of an unusual rise of temperature.

Attics, roofs and chimneys supply the cause for twenty-two per cent of residence losses. The remedy for these is proper construction of chimneys, fire-resistant roofs and clean attics.

Education in the proper use of electrical appliances, protection for open fire-places and stoves, and the elimination of flammable liquids for cleaning purposes and starting fires would reduce the remaining fire causes to a minimum.

Carefulness Can Prevent the Toll of Fires Such as This

Millions of dollars worth of property were lost in this blaze which this year engulfed the old Union Station freight sheds at Toronto.

The scene is an all too common one. The puffs of smoke; the clang of fire engines; leaping flames and finally the blackened ruins.

It is this appalling annual toll which can be greatly lessened by careful fire preventive measures, for Canada, despite its progressive attitude toward other things, still reports one of the highest per capita loss ratios in the world. Fire prevention week gives citizens an opportunity to check this unnecessary wastage.

Damage from Fires Lowest During 1934 Although Number Up

Depression Years Are Those of Smallest Losses

FEWER BIG FIRES

Reduced Damage Saves $300 Millions Annually in Cost to Insured in Canada

By J. GROVE SMITH

Since 1920, when reliable figures were first compiled, property losses from fire have amounted in the aggregate to $610 millions. The loss per annum during that period shows a reduction from $54 millions in 1922 to $25 millions in 1934. From 1921 to 1925 inclusive, the loss amounted to $234 millions as compared with $193 millions for the years 1930 to 1934 inclusive. With minor fluctuations, due to extended individual fires in certain years, the loss curve has steadily declined, notwithstanding the accretion of insured property values from $7,720 millions in 1921 to a maximum of $11,890 millions in 1931.

Rates Reduced

As a direct result of curtailed losses, fire insurance rates show a reduction in each successive year from an average of $1.11 per $100 at risk in 1921 to $0.72 cents per $100 at risk in 1934. Computed on the basis of the year 1921, the saving to property-owners in insurance cost has amounted to over $300 millions, or an average of $20,000,000 annually since that year.

Contrary to the generally accepted view, the years of commercial depression and industrial activity have been the years of greatest recession in the fire loss.

Fewer Big Fires

Prior to 1922, 70 per cent of Canada's fire waste was occasioned by less than one per cent of the fires that occurred. In 1922, individual losses exceeding $100,000 numbered 146, whereas in 1934 only 8 fires were of this magnitude. In 1922, industrial and mercantile properties contributed $17,800,000 to the loss of that year as compared with $9 millions in 1934.

Dwelling Losses Up

On the other hand, the loss in dwellings and other preferred risks has steadily increased from $6,775,000 in 1922 to an average of over $11 millions per annum in the years 1930-34.

From the standpoint of fire frequency, the change is even more startling. Fires in commercial properties declined from 9,810 in 1922 to 4,400 in 1934, whereas fires in dwellings increased from 16,100 in 1922 to an average of over 34,000 per annum in the years 1930-34.

In 1922, individual losses of less than $25 numbered 5,216; in 1934, there were 23,400 losses in this category, 9,047 of which were claims for less than five dollars.

Additional Hazards

During the period under review, not only has the aggregate property value at risk increased by over 60 per cent but hundreds of additional special hazards have been introduced into the industrial, commercial and domestic spheres. It must be concluded that although a notable curtailment of the fire loss has been achieved efforts directed toward the prevention of fires have not been equally successful.

Rating Effective

There is no gain-saying the fact that the current practice of schedule rating by the insurance companies has profoundly affected the fire loss. The practical effect of existing rating methods has tended to eradicate or safeguard the dangerous physical conditions which enlarge fire losses.

Other Factors

Other potent influences affecting the fire loss have been the provincial fire marshal laws and supplementary regulations, increased efficiency of municipal fire departments and the educational efforts of the many voluntary organizations interested in fire prevention work. Clothed with legislative authority, fire marshal departments have been established in all Canadian provinces during recent years and although their maintenance is a direct charge upon the fire insurance companies, their operations are entirely independent and their methods have yielded excellent results.

Within the last 15 years, municipal fire departments throughout Canada have been largely revolutionized in equipment, personnel and technique. Today inspection has been given the premier rôle in all the larger fire departments and, under the authority delegated by provincial fire marshal acts, firemen are rapidly becoming one of the most effective fire prevention agencies.

Commercial Public Bodies

What commercial and public bodies accomplished during recent years is a story in itself. 1,400 automatic sprinkler systems have been installed since 1920.

Among other accomplishments have been: practical elimination of fire hazard in the 1,800 theatres and eight film exchanges in Canada, routine inspection services established by the railway companies, safeguards instituted by the oil and gasoline distributing organizations, safety standards adopted by the match and dry-cleaning industries, 1,300 local by-laws and ordinances that have been enacted or amended during the last 10 years, acceptance by the construction industries of materials and methods to increase fire-resistance in buildings, adoption of the Canadian Electrical Code and its safety requirements, technical enquiries sponsored by industries in a dozen different fields and the efforts of national welfare and service bodies.

Inspection is Key To Fire Prevention

By J. A. THOMAS
Fire Marshal, British Columbia

In British Columbia, we have proved beyond doubt that the only adequate way to handle fire prevention in business and institutional establishments is to have a corps of trained inspectors with authority to enforce their orders. Of course the fundamental thing is proper building construction, and next, the enforcement of proper housekeeping conditions.

In our institutional buildings, which are directly under the control of the provincial governments, there has been a vast improvement during the past four years. Greater care is being taken to keep these buildings up to a safe standard. In our business premises, however, owing to the economic conditions existing, there has been a lack of systematic inspection with a consequent increase in our fire losses.

Declines in Fire Loss Lead to All-Time Low

Canada reduced property damage from fire to an all-time low in 1934.

A substantial improvement in fire loss was recorded in all provinces except British Columbia and Manitoba in 1934. And in those two provinces the increase was slight. Ontario and Quebec continue to lead the parade in respect to total losses, as is natural because of their relatively greater industrialization and more dense population. On the other hand the agricultural Prairies maintain their record as the "low loss" area, Manitoba, Saskatchewan and Alberta being the only provinces with a per capita loss under $2.

As measured by per capita figures, British Columbia's increased losses were sufficient to place her in second high position, slightly below Ontario. She thus takes Quebec's ranking a year ago. This province succeeded in reducing her losses to a record low last year, but even so, she is still third highest in per capita standing.

Fire Loss By Provinces

Province:	Total Loss 1934 $	Total Loss 1933 $	Total Loss 1932 $	Per Capita Loss 1934 $	Per Capita Loss 1933 $	Per Capita Loss 1932 $
Alberta	1,177,370	1,435,612	2,376,658	1.60	1.96	3.24
British Columbia	1,968,501	1,852,253	3,299,005	2.86	2.62	4.75
Manitoba	1,195,160	1,146,000	1,585,906	1.70	1.64	2.26
New Brunswick	823,523	2,188,200	1,507,805	2.02	5.36	3.69
Nova Scotia	1,219,215	1,779,614	1,687,459	2.38	3.47	3.29
Ontario	10,040,144	11,250,182	15,466,070	2.92	3.28	4.56
Prince Edward Island	191,103	272,696	615,047	2.17	3.10	6.98
Quebec	7,567,975	10,862,250	13,911,715	2.65	3.78	4.84
Saskatchewan	1,233,335	1,869,903	1,673,741	1.33	2.03	1.82
Total	25,437,840	32,676,314	42,193,815	2.44	3.15	4.06

New Safety Plan Plays Up Horror Of Auto Smashes

New York has adopted a new campaign against automobile accidents. Playing on the psychological reactions of their readers, newspapers are describing in gruesome detail particulars of smashups. One accident in which two were killed and three more injured seriously was given a full column or more in every afternoon newspaper in the city; not the ordinary routine coverage but such copy as: "The men's heads were split open. One man's skull was mashed down almost to his ears. Blood spattered five or six feet around them. Blood spurted from their wounds, to . . . . ."

A magazine article recently appeared, giving crash statistics in terms of smashed heads. This was widely reprinted, usually with a warning to those with squeamish stomachs. One editorial stated that stories of auto accidents would no longer be buried in the paper, but a prominent position would be given to the details, no matter how revolting.

The press represents only one phase of the horror campaign. Judges read sickening stories of smashups to traffic violators; dummy accidents are staged with straw men hanging from the windows of wrecked cars.

LUMBER YARDS SUFFER 50 P.C. BIG FIRE LOSS

Fires Over $50,000 Take Toll of $3.4 Millions

More than half the loss from fires causing damage of over $50,000 was in sawmill and lumberyard properties. There were eight fires costing more than $100,000 in 1934. Six of them were in lumberyards.

Total loss from large fires, over $50,000, in 1934 was $3.4 millions. In addition to the eight mentioned above, there were 26 fires costing between $50,000 and $100,000.

Classification of the larger fires of the year is as follows:

Large Fires in 1934

Dalton, Ont.; lumber yard	$511,256
Prince Rupert, B.C.; sawmill	256,816
Quebec, Que.; hotel	219,698
London, Ont.; flour mill	157,218
Victoria Co., B.C.; sawmill	132,290
Callander, Ont.; sawmill	127,455
Ottawa, Ont.; residence	124,222
Foss Mill, Ont.; sawmill	103,420
Toronto, Ont.; factory	99,648
Nanaimo Co., B.C.; sawmill	97,694
Gogama, Ont.; lumber yard	95,855
Hudson, Que.; ice storage	86,637
Welland, Ont.; foundry	82,959
Victoria, B.C.; sawmill	82,367
Toronto, Ont.; auto accessories	79,493
Cariboo Co., B.C.; sawmill	72,575
Sydney, N.S.; steel works	69,913
Sarnia, Ont.; retail store	68,481
Toronto, Ont.; retail store	67,986
Abitibi Dist., Que.; mining prop.	67,125
Outremont, Que.; dwellings	65,881
Toronto, Ont.; apartment house	65,439
St. Jacob's, Ont.; shoe factory	64,764
Foleyet, Ont.; sawmill	64,000
Penetang, Ont.; sawmill	63,795
Toronto, Ont.; retail stores	62,447
Goward, Ont.; sawmill	61,482
Callander, Ont.; sawmill	60,377
Dauphin, Man.; grocery warehouse	60,000
Welland Co., Ont.; natural gas compressor	60,000
Powell Twp., Ont.; mining prop.	59,937
Prince Rupert Co., B.C.; cannery	55,101
Kingston, Ont.; retail stores	52,021
Leaside, Ont.; racing stable	50,370

Fire Agents Receive $12 Millions a Year

In Canada there are approximately 20,000 recognized fire insurance agents and probably as many more accepting occasional business. The remuneration they derive from insuring public runs between $12 millions and $14 millions a year and represents an annual tax of over $1.25 on every man, woman and child in the Dominion.

Mediterranean Cover Affected by War Fears

No open quotations are being made for insurance rates on cargoes shipped to the Mediterranean or Red Sea or to any Italian port, according to insurance men at Montreal.

Every application has to be considered as a separate proposition, the character of the cargo, the speed of the ship, the flag it is sailing under, the port of unloading, and the probable date of its arrival in what may be described as the possible danger zone of war.

The standard war risk which was formerly included in the general risk, is now an additional risk for ships plying to any part of the world, except the Mediterranean or Red Sea, at a premium of 2½ per cent on the average.

ROYAL INSURANCE COMPANY LIMITED

St. Paul Fire and Marine Insurance Company
St. Paul, Minn.
Founded 1853
●
Capital and Net Surplus Over $22,000,000
Head Office for Canada:
402 Paris Bldg., Winnipeg, Manitoba
P. A. Codere, *Chief Agent*
Agents in Principal Cities Across Canada

We Salute...
. . . . . all those who are participating in Fire Prevention Week and add our tribute to the many endorsing their splendid efforts and their great example.
◆
Great American Group of Insurance Companies
Head Office for Canada . . . 462 St. John St., Montreal
ADAM McBRIDE, Manager
HERBERT C. BOURNE, Associate Manager

CENTRAL MANUFACTURERS
Mutual Insurance Company
1201 Concourse Building — TORONTO — ELgin 7207
MUTUAL FIRE and AUTOMOBILE INSURANCE
Policies Non-Assessable
Net Surplus $2,041,252.56
Annual Cash Dividends Paid Since Organization in 1876
Present Dividend Rate 25%

KNOWN ROUND THE WORLD
THE LIVERPOOL AND LONDON AND GLOBE INS. CO. LTD.

FOUNDED 1792

The week of October 7-12 has been officially designated as Fire Prevention Week. This annual concerted effort to combat fire's menace has accomplished much in reducing the fearful property loss caused by this great destroyer.

Every good citizen should give his support to the organized efforts to prevent fire, and the precautions advocated and followed during Fire Prevention Week should be followed throughout the year.

It is the duty of every citizen to himself, too, to carry adequate fire insurance on his home, furnishings, business property and other possessions. Care may not prevent all fires, but fire insurance in a dependable company will prevent the financial loss involved.

The INSURANCE COMPANY OF NORTH AMERICA maintains throughout Canada a nation-wide organization offering a rating and engineering service to Canadian Agents that embraces the installation of modern fire protection.

—Losses paid since organization—$400,000,000.00.
—Surplus to policyholders over $61,000,000.00.
—One Hundred and Forty-Three Years of Insurance Service.

Consult a North America Agent!
H. C. MILLS
General Manager.

"I certainly appreciate such prompt settlement"

Safety of the Company—and prompt, fair settlements are most important features to look for when insuring against fire.

For over 63 years the Economical Mutual Fire Insurance Company—with assets over $2,000,000.00—has instructed its adjusters to settle all claims *without delay and with absolute fairness.*

Consult your local agent about a policy in—

THE ECONOMICAL
MUTUAL FIRE INSURANCE COMPANY
Geo. C. H. Lang, President F. W. Snyder, Managing Director
HEAD OFFICE: KITCHENER, ONTARIO

Attribute Doubtful Fires To Smokers' Carelessness

It is quite possible that the number of fires listed as being caused by smokers' carelessness is not as great as might be supposed. Years ago, when the cause of a fire was not known, it was quite often attributed to defective wiring. Today it is often credited to discarded cigarettes and other machinations of the careless smoker.

Insurable Property

In 1934 the value of insurable property in Canada amounted to $10.5 billions.

FIRE AUTOMOBILE
MARINE CASUALTY

ASSETS OVER
$4,677,000

Losses Paid Since Organization of Company in 1833 over
$73,900,000

THE
BRITISH AMERICA
ASSURANCE COMPANY
OF TORONTO
TORONTO - CANADA

FIRE MARINE
PLATE GLASS
1807

EAGLE · STAR &
BRITISH DOMINIONS
INSURANCE COMPANY LTD
OF LONDON, ENGLAND

Head Office for Canada: 217 Bay Street, Toronto
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AGENTS:
[illegible]LE & CO., LTD., *General Agents*, Toronto, Montreal, Halifax.
E. L. McLEAN LTD., *General Agents*, Toronto.

FIRE, AUTOMOBILE AND CASUALTY INSURANCE

PEARL
Incorporated in England 1864
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND

An Old and Firmly Established British Company

Head Office for Canada
METROPOLITAN BUILDING - TORONTO
Lawson T. Hargreaves - Manager for Canada

THE
EUREKA-SECURITY
FIRE AND MARINE
INSURANCE COMPANY
OWNED & OPERATED BY THE
PEARL

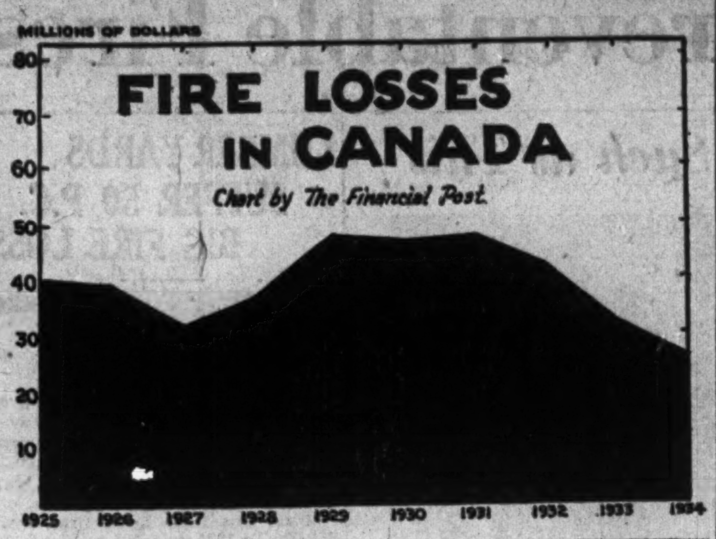
NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO

BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE LIABILITY WINDSTORM SPRINKLER LEAKAGE DOCTORS' AND DENTISTS' LIABILITY AUTOMOBILE PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.



Kirkland Lake's Fire Loss Lowest Reported in Canada

Kirkland Lake, Ont., regained in 1934 her position as Canada's most fire-free municipality in the 10,000 or more population group. It has earned this title by its record over a period of years, although in 1933 St. Catharines took the leading place, as measured by per capita figures compiled by the Department of Insurance at Ottawa. Practically all the larger cities in Canada had much lower losses than in the previous year.

Of municipalities of between 5,000 and 10,000 inhabitants, Magog and Drummondville, both in Quebec, showed the best record with per capita losses of four and eight cents, respectively. A number of more sparsely settled towns and villages reported no fire loss whatsoever during the year.

FIRE LOSSES IN MUNICIPALITIES WHERE POPULATION EXCEEDS 10,000

Municipality:	Population 1931	Total property loss 1934	Loss per capita 1934	Loss per capita 1933	Loss per capita 1932
		$	$	$	$
Ontario:					
Belleville	14,128	13,565	0.96	2.32	2.91
Brantford	30,947	28,659	0.93	0.56	0.48
Chatham	16,313	25,344	1.55	2.86	4.96
Cornwall	11,639	5,902	0.51	35.29	1.37
East Windsor	15,000	8,710	0.58	1.53	1.20
Fort William	25,000	44,849	1.79	5.45	3.95
Galt	14,002	1,925	0.14	0.69	0.47
Guelph	21,139	53,358	2.52	1.52	0.99
Hamilton	154,276	184,303	1.19	1.14	3.26
Kingston	23,439	111,705	—4.77	7.51	1.57
Kirkland Lake	16,000	1,820	0.11	0.76	0.12
Kitchener	32,000	65,236	2.04	0.33	3.99
London	74,278	205,399	2.77	1.36	7.30
Niagara Falls	18,000	25,426	1.41	2.46	42.90
North Bay	16,000	53,307	3.33	1.64	3.14
Oshawa	23,430	25,581	1.09	1.02	0.72
Ottawa	137,911	324,601	2.35	2.24	4.27
Owen Sound	12,500	9,792	0.78	1.78	0.46
Pembroke	10,173	7,933	0.78	1.40	4.99
Peterborough	23,044	76,934	3.34	2.11	0.97
Port Arthur	19,459	23,626	1.21	1.77	5.63
St. Catharines	26,571	44,449	1.67	0.28	0.98
St. Thomas	16,000	17,249	1.08	5.27	7.62
Sandwich	10,369	6,895	0.66	0.32	0.64
Sarnia	18,000	70,955	3.94	0.74	0.65
Sault Ste. Marie	23,832	59,801	2.51	7.58	6.23
Stratford	17,800	11,530	0.65	2.49	4.63
Sudbury	20,000	28,685	1.43	1.46	1.78
Timmins	18,000	7,901	0.44	0.34	1.85
Toronto	626,674	983,253	1.57	1.42	1.36
Walkerville	10,000	11,239	1.12	0.37	0.75
Welland	10,800	71,420	—6.61	3.13	0.89
Windsor	62,992	58,418	0.93	1.55	0.64
Woodstock	11,000	3,563	0.32	0.36	0.39
Quebec—					
Chicoutimi	12,958	8,711	0.67	0.77	2.89
Granby	11,000	8,300	0.75	3.13	0.13
Hull	29,705	102,164	3.44	4.56	1.86
Joliette	10,765	42,689	3.97	1.59	1.27
Jonquière	11,100	10,645	0.96	1.01	1.80
Lachine	18,539	32,791	1.77	2.13	6.65
Lévis	11,768	37,871	3.22	1.97	1.87
Montreal	1,175,957	2,163,311	1.84	3.33	3.38
Outremont	28,000	150,635	—5.38	2.74	2.75
Quebec	142,000	567,713	4.00	4.26	4.05
St. Hyacinthe	16,000	41,050	2.57	1.21	4.28
St. Jean	12,000	7,680	0.64	1.95	1.23
Shawinigan Falls	16,400	63,651	3.88	1.90	2.64
Sherbrooke	29,284	23,042	0.79	1.10	2.57
Sorel	10,000	28,395	2.84	2.13	1.99
Thetford Mines	10,638	3,758	0.35	0.55	1.31
Three Rivers	40,000	88,202	2.21	2.38	3.26
Valleyfield	13,230	17,307	1.31	41.40	2.33
Verdun	59,900	50,559	0.84	1.09	1.26
Westmount	26,000	108,024	4.15	0.73	1.23
Manitoba—					
Brandon	17,698	12,015	0.68	1.29	5.21
St. Boniface	16,454	7,539	0.46	0.70	1.10
Winnipeg	223,017	262,007	1.17	1.44	1.68
Saskatchewan—					
Moose Jaw	23,000	27,161	1.18	0.74	0.94
Prince Albert	10,000	19,987	2.00	0.57	0.59
Regina	53,034	43,684	0.82	1.31	1.87
Saskatoon	43,234	81,329	1.88	1.74	2.39
Alberta—					
Calgary	83,000	110,912	1.34	4.42	3.36
Edmonton	79,773	96,324	1.21	1.27	4.71
Lethbridge	14,000	4,798	0.34	0.69	0.42
Medicine Hat	10,000	3,970	0.40	0.68	3.66
British Columbia—					
New Westminster	21,000	13,054	0.62	0.34	11.67
Vancouver	245,000	302,063	1.23	1.28	1.19
Victoria	39,000	102,922	2.64	0.81	1.19
Nova Scotia—					
Glace Bay	21,000	32,206	1.53	2.27	5.97
Halifax	65,000	118,175	1.82	11.69	2.27
Sydney	25,000	117,552	4.70	5.50	6.07
New Brunswick—					
Moncton	20,689	41,661	2.01	6.06	2.34
Saint John	47,514	123,585	2.60	4.38	2.83
Prince Edward Island—					
Charlottetown	12,361	38,566	3.12	1.06	22.04

FIRE LOSSES IN MUNICIPALITIES WITH POPULATION OF 5,000 TO 10,000

Municipality:	Population 1934	Total property loss 1934	Loss per capita 1934	Loss per capita 1933	Loss per capita 1932
		$	$	$	$
Ontario—					
Barrie	7,858	59,591	7.58	6.28	3.69
Brampton	5,500	2,845	0.52	1.98	0.24
Brockville	9,736	19,317	1.98	3.60	1.94
Cobourg	5,834	37,847	6.49	0.98	1.64
Collingwood	6,000	3,159	0.53	0.85	2.04
Dundas	5,000	11,763	2.35	1.00	0.51
Eastview	7,000	7,886	1.13	0.88	2.34
Fort Erie	5,500	4,510	0.82	4.00	0.53
Fort Frances	5,300	16,490	3.11	3.42	2.44
Hawkesbury	5,548	4,595	0.83	0.07	2.36
Ingersoll	5,225	54,845	10.50	0.68	0.34
Kenora	7,500	27,689	3.69	5.12	1.48
Leamington	5,500	3,539	0.64	0.57	1.46
Lindsay	7,200	12,238	1.70	3.01	1.82
Midland	7,420	20,690	2.79	4.26	38.27
Orillia	8,400	76,423	9.10	6.95	9.14
Port Colborne	5,844	6,773	1.16	4.13	4.75
Preston	6,281	16,181	2.58	...	6.80
Renfrew	5,400	4,940	0.91	1.09	4.49
Simcoe	5,000	13,750	2.75	4.62	0.43
Smiths Falls	7,000	6,465	0.92	0.32	0.15
Sturgeon Falls	5,000	734	0.15	1.82	1.51
Thorold	5,600	17,715	3.16	1.71	4.02
Trenton	6,000	12,713	2.12	3.54	2.34
Waterloo	8,500	2,869	0.34	0.21	1.14
Weston	5,000	3,000	0.60	0.25	3.26
Whitby	5,300	672	0.13	0.32	0.95
Quebec—					
Buckingham	5,000	6,525	1.31	8.24	2.12
Cap de la Madeleine	9,323	8,610	0.92	1.57	3.03
Drummondville	8,000	626	0.08	2.45	3.59
Grand'Mère	7,800	12,200	1.56	0.29	0.34
La Tuque	6,870	15,397	2.24	1.06	6.30
Lauzon	6,982	2,571	0.37	0.34	0.79
Longueuil	5,800	3,820	0.66	1.17	4.12
Magog	7,300	273	0.04	0.45	1.86
Rimouski	5,589	1,858	0.33	0.17	1.34
Rivière du Loup	8,500	7,829	0.92	1.27	3.93
St. Jérome	9,565	14,469	1.51	0.83	0.90
St. Lambert	6,271	16,621	2.65	0.42	8.29
St. Laurent	5,000	19,010	3.80	11.15	2.12
Sorel	......	......	...	...	1.99
Victoriaville	6,482	2,450	0.38	0.83	9.56
Manitoba—					
Portage la Prairie	6,400	4,165	0.65	6.21	0.76
Saskatchewan—					
North Battleford	6,000	21,802	3.63	3.82	0.46
Swift Current	5,300	3,990	0.75	1.46	1.82
Weyburn	5,000	610	0.12	1.13	0.14
Yorkton	5,153	14,665	2.85	0.67	1.04
British Columbia—					
Kamloops	......	......	...	...	...
Nanaimo	9,000	6,828	0.76	0.56	6.42
Nelson	9,200	21,681	2.36	0.46	5.18
North Vancouver	9,000	29	0.16	1.19	1.33
Prince Rupert	6,300	1,124	0.18	3.77	6.94
Trail	8,000	1,204	0.15	0.06	0.34
Nova Scotia—					
Amherst	7,500	7,298	0.97	2.08	4.55
New Glasgow	8,000	60,945	7.62	6.92	16.45
New Waterford	9,000	6,205	0.69	0.72	2.85
North Sydney	6,000	14,144	2.36	5.43	10.32
Springhill	7,000	14,759	2.11	1.47	3.32
Stellarton	5,000	14,804	2.96	0.32	0.11
Sydney Mines	7,700	41,470	5.39	1.47	0.26
Truro	8,000	15,659	1.96	3.10	2.23
Yarmouth	7,500	20,823	2.78	1.18	5.68
New Burnswick—					
Campbellton	6,505	8,273	1.27	14.62	3.57
Edmundston	6,430	56,755	8.83	4.80	3.83
Fredericton	8,830	16,569	1.88	3.33	2.57

Sponsor "Career Talks" For Winnipeg Students

The Winnipeg Board of Trade, in co-operation with the University of Manitoba is inaugurating a series of "career talks" for young men and women who are now proceding with their college education in the district.

The object of the talks, according to the Board of Trade, will be to give a better idea of the scope of a particular vocation, its rewards and opportunities as well as its difficulties and the qualifications required in entering upon it.

The schedule includes such subjects as mining, farming, livestock, grain, lumbering, industry, banking, finance, insurance, wholesale and retail merchandising and railroad transportation. Leaders in each particular field will be the lecturers.

Diamond Jubilee

Boiler Inspection and Insurance Co. Celebrates Anniversary — Pioneer in Canadian Field

Steam boiler insurance has for many years been generally regarded as an important factor in the operation of steam plants. This is not so much perhaps for its insurance feature, which comes into effect after an explosion has occurred, as for the accident prevention service which accompanies the insurance. To the extent to which its purpose is accomplished, it safeguards the manufacturer against interruption to his business operations. Its related lines—engine insurance, turbine insurance and electrical machinery insurance—which deal with the hazards attending the use of those objects—have come to be similarly regarded.

Closely linked with these lines of service insurance is the name of The Boiler Inspection and Insurance Company of Canada which, on Oct. 9, celebrates its 60th anniversary.

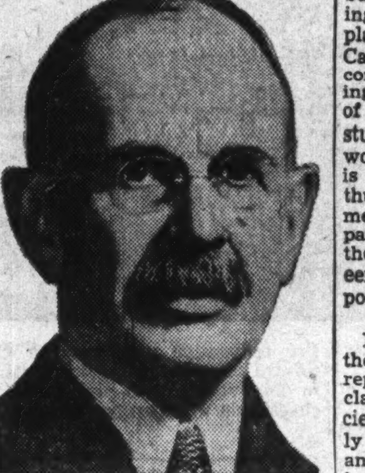
Pioneer Work

Early in 1875 boiler explosions were of comparatively frequent occurrence and were generally looked upon as being of somewhat mysterious origin. The organizers of this company, however, after consultation with prominent mechanical engineers, were satisfied that most explosions were due to definite conditions or defects which could be detected in the initial stages by men specially trained for that work.

The decision was reached to establish a regular inspection service with that purpose in view and to guarantee this inspection service by insuring the boiler owner against loss from boiler explosion. The outcome of this decision was the formation of The Boiler Inspection and Insurance Company of Canada, which issued its first policy of boiler insurance in 1875.

Success Causes Expansion

For many years the company confined its attention to the inspection and insurance of steam boilers and other kinds of vessels operated under pressure. Encouraged by its success in these lines and because of acceptance by the steam-using public of the effectiveness of its accident prevention service, it was decided to extend the practice of periodical inspection by trained engineers to the prevention of accidents to other objects which formed the principal part of industry's power plant equipment.



H. N. ROBERTS

President of the Boiler Inspection and Insurance Co., which is this month celebrating its sixtieth anniversary.

This, of course, called for the employment of engineers conversant with the construction and operation of the various kinds of equipment in use by industry and with a knowledge of the hazards attending the use of those various objects. These steps were gradually taken and for some years the company has been inspecting and insuring steam boilers, tanks of various kinds, digesters, refrigerating systems, steam engines, compressors, steam and water turbines, and all kinds of electrical machinery.

The company has been increasingly successful in its efforts to prevent accidents to the equipment it insures, and has been of material service in a general way as engineers to manufacturing interests in this country. This is indicated by the fact that, with 20 companies in the same field, The Boiler Inspection and Insurance Company alone is, according to the latest government figures available, receiving from users of boilers, engines and electrical machinery in Canada, over one-half of the premiums paid for boiler and machinery insurance in force in this country.

Specialists

Its pre-eminent position in its own particular field is undoubtedly due to the fact that it has specialized exclusively in the lines of insurance it writes, lines that may be classed under the one head of "Engineering." As specialists, it has been able to devote its entire attention to the building up of an efficient engineering organization. Its field force is placed at strategic points throughout Canada. Its head office engineers are constantly studying questions relating to the safe and efficient operation of all power plant equipment. Their studies include extensive research work. The knowledge thus gained is passed on to the field engineers, thus making the services of those men of increasing value to the company's patrons. This knowledge and the services of its head office engineers is always at the disposal of its policyholders.

No Law Suits

During its 60 years in business, the company has earned an enviable reputation for the settlement of such claims as have arisen under its policies. These have all been as promptly paid as circumstances permitted and in no single case has a policyholder had to have recourse to litigation. It numbers among its policyholders many of 25, 30, 40 and even over 40 years standing. This is a record of which any company may be proud.

Facts Shatter Legend Of Mrs. O'Leary's Cow

Once again fire prevention week has rolled around and once again there will be much discussion of Mrs. O'Leary's famed cow. For it was on the night of October 9, exactly 64 years ago, according to legend, that the frisky animal kicked over the lantern which set all Chicago ablaze. In observance of that conflagration, the week which includes October 9 has since been set aside as fire prevention week.

Close investigation of the matter, however, reveals a number of discrepancies in the now famous story. For instance, none other than Mrs. O'Leary's daughter has stated that not a single lamp or lantern was kept in the stable. There was no need for one, for milking was done by daylight. Furthermore, Mr. O'Leary not Mrs. O'Leary, did the milking.

New Version

According to the revised story as told by the daughter, the O'Leary's owned not one but five cows, and in addition a calf and a horse. All were lost in the fire except the calf which was rescued by the unsung hero of the epic event. The next door neighbor, Dennis Sullivan, obviously a fellowcountryman, was the first to notice the blaze and rushed into the O'Leary home to awaken the members of the family. Then he dashed to the stable to rescue the livestock.

Dennis had but one leg, and in his haste the peg replacing his lost limb became caught in the planking of the stable floor. He barely managed to escape with his life and the burned calf—O'Leary's calf.

The new version rather knocks the well-known story on the head. Some other fable may be concocted, but it is doubtful if those who have heard the colorful tale of Mrs. O'Leary's cow will soon lose the imaginary picture it calls to mind.

Meanwhile the week of October 9 will still be observed as Fire Prevention Week.

$50 MILLIONS IS NECESSARY FIRE APPARATUS

In Order to Bring Efficiency Up to 1922 Level

It will require purchase of about $50 millions of new fire fighting apparatus to bring the efficiency of fire departments in Canada up to the 1922 level. This is the estimate of the Dominion Fire Commissioner.

So far as personnel is concerned, efficiency has increased by more than 100 per cent over 1922. In this regard fire departments are far more effective than they have ever been. Much of the credit for this is due to placing emphasis on fire prevention rather than upon fire extinguishment. Educational activities with this purpose in view have met with a gratifying measure of success.

Most of the larger departments now maintain inspection branches, manned by qualified men who inspect commercial properties. Results of this work are seen chiefly in the reduction of fire losses in the large towns and cities.

Equipment Worn Out

As to equipment, however, Canada is extremely poor, particularly in that range of towns where firemen are semi-volunteer. In one western city, authorities admit that the efficiency of the fire department today is only about 50 per cent of what it was only three years ago. There are fires where, as the Fire Commissioner expressed it: "You might suppose you were in the midst of a sprinkler system instead of water tight hose."

The usual excuse for this condition is, of course, lack of money. Municipalities have been so hard pressed for funds to meet current expenditures and to provide relief that certain necessary appropriations have gone by the board. It is felt by authorities, however, that the time is fast approaching when outlay for fire preventive services and fire fighting equipment must be made.

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO INLAND TRANSPORTATION
Agents Everywhere

W. R. HOUGHTON Manager
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HEAD OFFICE FOR CANADA: TORONTO
COLIN E. SWORD, Manager for Canada

Statement, December 31st, 1934, of the

Corroon & Reynolds
Group of Fire Insurance Companies

ASSETS	American Equitable Assurance Company (a)	Knickerbocker Insurance Company	New York Fire Insurance Company (a)	Merchants & Manufacturers Fire Insurance Company (a)	Globe & Republic Insurance Company
Cash	$ 402,831.27	$ 286,350.39	$ 348,934.09	$ 287,060.87	$ 394,507.12
U. S. Government Bonds	454,543.08	301,294.00	247,957.35	207,518.03	402,709.24
Other Bonds and Stocks	6,668,841.60	2,743,523.32	3,742,229.32	2,142,627.71	3,435,619.33
Real Estate	6,075.06	....	....	....	375,705.13
Mortgage Loans	70,500.00	155,215.00	239,700.00	....	....
Collateral Loans	21,000.00	....	....	....	....
Premiums and Accounts Receivable	475,813.65	207,339.46	298,737.74	206,130.19	406,154.02
Reinsurance Receivable	22,371.26	3,471.80	5,218.50	3,556.74	9,198.73
Accrued Interest	30,321.81	16,486.67	33,826.95	18,568.77	21,807.82
Total Assets	$8,152,497.73	$3,713,680.64	$4,916,603.95	$2,865,462.31	$5,045,701.39
LIABILITIES					
Reserve for Unearned Premiums	$3,794,490.64	$1,383,291.89	$1,881,808.81	$1,297,824.93	$2,545,976.67
Reserve for Losses	422,802.74	156,316.85	208,083.44	141,934.20	281,560.43
Reserve for all other Liability	257,263.92	55,223.26	85,156.26	55,573.25	94,257.42
CAPITAL	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
SURPLUS	2,677,940.43	1,118,848.64	1,741,555.44	370,129.93	1,123,906.87
Total Liabilities	$8,152,497.73	$3,713,680.64	$4,916,603.95	$2,865,462.31	$5,045,701.39

(a) Companies of the Group licensed by and maintaining Full Deposit with the Dominion Government of Canada:—

NEW YORK FIRE INSURANCE COMPANY
INCORPORATED 1832
MERCHANTS AND MANUFACTURERS FIRE INSURANCE COMPANY
CHARTERED 1849
AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK

TOTAL ASSETS $24,692,946.02
LOSSES PAID SINCE ORGANISATION EXCEED $150,000,000.00

HEAD OFFICE: Insurance Exchange Building, MONTREAL
J. MARCHAND, Manager
ONTARIO PROVINCIAL OFFICE, Metropolitan Building, TORONTO
C. M. HENDERSON, Manager FRANK DINGLE, Inspector
PROVINCIAL REPRESENTATIVES:
NOVA SCOTIA: Halifax. NEW BRUNSWICK: Saint John. MANITOBA: Winnipeg. SASKATCHEWAN: Saskatoon.
ALBERTA: Calgary. BRITISH COLUMBIA: Vancouver.

Many New Wrinkles Extend Field and Use Of Automatic Sprinkler

New Developments Permit Adaption to Wide Range of Systems — May Include Automatic Alarm Against Leakage

Today there is a new wrinkle in the art of fire protection.

This is a new development of the time honored automatic sprinkler system, whose actual record for not only extinguishing fires but for safely protecting goods and property of all natures has been so favorable that insurance underwriters always grant large reductions in rates for fire insurance in "sprinklered risks." These reductions usually vary between 75 and 90 per cent of unsprinklered rates.

"Rate-of-Rise" Sprinklers

This development is the "rate-of-rise" type of automatic sprinkler system, so called because a small but sudden heat shock such as occurs at the very start of a fire will cause it to function. The actual temperature has nothing to do with it.

The system may be installed in a cold storage warehouse where the temperature is 20 deg. Fahr. or even zero. Should fire occur, the system would operate just as rapidly as it would if it were installed in a normally heated building. Likewise the same applies to bakeries and other hot types of risks—it is the sudden rise in temperature that signals the fire condition to the system and causes its operation. This is not in any way set to operate at any predetermined or fixed temperature, but rather at some set rate of rise of temperature.

Has Many Uses

With this type of equipment there are many variations. For instance, where extremely hazardous conditions apply, the sprinklers can be already opened so that fire will cause the immediate deluging of that section. For instance, these deluge systems are installed in Duco spraying booths, etc., throughout Canada and the United States.

A further adaption of this deluge system is for airplane hangars. Airplane wings are extremely quick burning and in turn might lead to the gasoline tank exploding and the gas igniting. In the landplane and seaplane hangars of the Royal Canadian Air Force at Trenton Ont., where hangar deluge systems are installed, there is a complete system of special sprinklers set in the floor as well as open sprinklers at the roof.

Pulp and Paper Mills

Deluge systems have been extremely successful in safeguarding briner economizers in paper mills. These heat interchange units are made of copper cores and a flash fire soon melts and distorts them beyond repair. Only the speedy action of a rate-of-rise deluge system can properly cope with such a fierce quick fire.

In ordinary risks the rate-of-rise system is installed with sealed sprinklers. Hence it is non-freezing because the pipes are empty, yet accidental breakage will not cause water damage, for it is necessary for fire heat to operate the automatic control valve before the piping system is flooded. Even then water will only issue from such sprinklers as actually are fused by the fire.

An advanced alarm is given as soon as the thermostatic system detects the fire and trips the valve, so that, if available, human intelligence can deal with the still small fire before sprinklers operate. However, if no one is at hand, or if the fire threatens, the sprinklers will operate in the same manner as would happen with any wet pipe system. This pre-action type system has been installed in colleges and churches as well as manufacturing and mercantile plants, particularly where water damage is liable to be excessive should such trouble occur.

Has Leakage Alarm

This same pre-action system has now had supervisory equipment added so that, in addition to its other features, an alarm siren will give prompt notification should any leakage occur in the piping system, even though there is no water in the pipes. In this way there is a constant check on the piping system. Also, should the main manual control or gate valve be closed, either accidentally or willfully, this siren operates advising that the sprinkler system is not in proper order.

Should any accident occur to the detection or thermal system, or anyone tamper with the equipment in a manner that might possibly affect the dependability of the operation of the system, the valve will immediately operate, sounding fire condition alarm and flood the piping system so that protection to life and property has not been disturbed. This suprotex system needs no attention, unless it signals that trouble exists, for it is entirely automatic and self-supervising at all times.

Suprotex sprinkler systems have been installed in all the Eastern Canadian piers that have been sprinklered and New Brunswick parliament buildings, while rate of rise systems have been installed in all the Canadian steamships that have been sprinklered, several institutions, manufacturing plants and mercantile buildings where the most modern type equipment was desired.

When compared to the old wet and dry pipe systems, which required the fusing of a sprinkler to start the system and give alarm; the supervision necessary—especially to maintain the air pressure in dry pipe systems; constant danger of water leakage; etc., we realize how the old standby of automatic fire protection—the sprinkler system—has met the challenge of modern inventions, conditions and manufacturing processes.

Established 1809

NORTH BRITISH & MERCANTILE

INSURANCE COMPANY LIMITED

RAILWAY PASSENGERS ASSURANCE COMPANY
THE OCCIDENTAL FIRE INSURANCE COMPANY

ALL KINDS OF

FIRE and CASUALTY INSURANCES

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460 St. François Xavier — Montreal
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Insure against losses caused by the fires that can't be

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that the soda and acid type of fire extinguisher is accepted as emergency apparatus installs a GUARDENE in schools, hospitals and all public buildings. One of six types made by Pyrene and approved by the Underwriters' Laboratories. Ask your insurance man.

81 DON ROADWAY, TORONTO

PROPERTY LOSS COSTS ALBERTA $1.2 MILLIONS

Fire Toll Lessened for Third Successive Year

By HENRY BRACE
Fire Commissioner of Alberta

It is very gratifying to report again a considerable reduction in the destruction of property in the Province of Alberta by fire over that of the previous year. This is the third successive year of reduction. Except for a slight increase during 1931 over the loss in 1930, a material decline in the fire loss in the province has occurred since 1929. The number of fires occurring since 1928 has also shown a continued decline.

Prevention Measures

Continued vigilance in the inspection of risks and removal of fire hazards, investigations and prosecution for arson, and educational activities have undoubtedly had their effect, and although less insurance has been carried by the public during the latter years enforcement of the provisions of the Fire Prevention Act has been a primary factor in bringing about such a beneficial reduction in the monetary fire loss in the province.

More Deaths

The total fire loss in Alberta during 1934 amounted to $1,177,370, showing a substantial decrease of $258,242.48 from that of the previous year. Unfortunately, the death toll was 35 compared with 30 in 1933. Seventeen of the deaths caused by fire were the direct result of the improper use of gasoline or coal oil, either in cleaning clothes with the former or in attempting to light fires with coal oil. Fatalities resulting from ignorance and thoughtlessness can, and should be, avoided.

Loss Classification

Statistics indicate that in 1934, 132 stores were involved with a loss of $201,291 compared with a loss in 1933 of 146 stores and $407,650. Garage losses in 1934 totalled 68 with a loss of $22,637. Factory and warehouse losses were slightly higher than in the previous year. Dwellings which constitute the largest proportion of the total loss, showed a decrease in comparison with the loss for the previous year.

Dwelling Fires

In Alberta, in the year 1934, 948 dwellings were destroyed or damaged by fire involving a value of $417,516. Fire prevention as applied to dwellings must start in the minds of the people who live there. A systematic check should be made from time to time to determine the existence of fire hazards in the home, and if found, they should immediately be remedied or removed.

School losses in country districts present a serious problem, the majority of these buildings being of log or frame construction with little or no protection. The loss of 33 such schools with a valuation of $31,422 during the year 1934 compares somewhat unfavorably with the previous year when 20 schools were destroyed with a loss amounting to $25,590.

Institutional Losses

Institutional losses such as hospitals, homes, etc., do not present a menace as a whole as these buildings are usually inspected systematically at regular periods, by the department under whose authority they operate.

Big Business Stymied By Needless Fire Loss

Indifference and Carelessness Cost Business Huge Sum — Require Constant Supervision and Inspection as Well as Usual Preventive Equipment

By J. E. RITCHIE,
Fire Prevention Engineer, Office of the Ontario Fire Marshal

Through our own indifference and an inexcusable measure of carelessness, rather than because of any directed plan of opposing forces, business in Canada has, during the last ten years, been asked to hurdle needless obstacles to its legitimate goal to the tune of $367,715,846. This huge retardent or barrier to normal progress in the field of finance and industry is represented by a fire waste of $39.32 per capita over that period.

Even in normal times, when we are not fraught with a maze of other perplexing problems, such an impost could hardly be dismissed lightly by an business man who exercises sufficient interest to analyze the consequences. In times of national distress—true though it be—it seems incredible that the public in general goes complacently on its way, apparently oblivious to this drain on the national purse.

Need of Leadership

The fact is that we do not give sufficient thought to the problem. Does familiarity breed contempt? Evidently it does, so long as we do not suffer a direct hit, but our contempt cannot dissipate the widespread ravages of fire, nor can any individual escape a share of the ultimate cost. If the same vast loss were caused by some other plague in our wheat fields, livestock, orchards, fisheries or forests our governmental bodies, chambers of commerce and other public-spirited organizations would bend every effort to combat the enemy to prosperity. Fire prevention offers a field just as worthy and just as needy of widespread support and leadership, for the lives of men, women and children are at stake as well as our physical resources.

Statistics are at least significant. During the last decade mercantile and manufacturing interests contributed 168 million dollars toward the fire loss of the Dominion—a heavy toll from about 60 thousand fires. The widespread distribution of direct losses is emphasized by the 261,855 fires in dwellings with an aggregate loss of over 103 million dollars. The fatalities numbered 3,016, consisting of 615 men, 835 women and 1,566 children. Therein lies a challenge to thinking business men. The responsibility of leadership is plainly theirs.

Municipal Responsibility

The modern industrialist, when analyzing the advantages of a municipality for locating his industry will place importance upon protection against fire. He will investigate not only the physical facilities afforded to fight fire but also the attitude of the whole town or city toward fire losses or fire prevention. He knows that upon those things will depend not only the chances of economic loss from fire but also the cost of insurance against fire. He recognizes that a modern fire prevention programme is a money saver and is as much an asset as are advantages in taxes and labor conditions. Since insurance rates are based upon the adequacy of the fire protection provided and upon the fire losses of preceding years, the municipality that lags behind in fire safety cannot expect to forge ahead industrially or commercially.

Many towns and cities are operating under by-laws and codes that were designed according to the standards and conditions of several decades ago without having, in the meantime, revised or enlarged them to provide against the many new hazards that are continually being introduced with new materials and new processes. Not only should building regulations, town planning and fire control regulations be kept up to date but they should be diligently enforced. If the electorate of a municipality took a more intimate interest in these matters, the responsible officials, elected and appointed, would be less prone to treat them lightly.

Individual Responsibility

Officialdom alone cannot meet the alarming situation. A fire consciousness, born of thought and study, is essential to success. The individual must weigh the gravity of the fire threat and sufficiently acquaint himself with the advantages of proper protection and how to provide it. There is little excuse for most fires starting and practically any fire can be localized with appropriate construction and protection.

The most effective agency against serious loss by fire is the automatic sprinkler system, which stands on guard every hour of the day or night. Its value is recognized by the insurance underwriters to the extent that in most risks the initial cost of installation may be recovered through savings in premiums in a comparatively few years. In subsequent years the savings continue to accumulate to the benefit of the owner and the value of his property has been materially increased. No other investment is likely to ensure such liberal returns. As a business proposition it should appeal to business men.

But protection is not enough. Constant supervision and careful daily inspection is the price of immunity from fire. A clean and orderly premises seldom burns.

New Books

RIVALRIES IN ETHIOPIA. By Elizabeth MacCallum, published by the World Peace Foundation, 8 West 40th Street, New York. Price, 50c.

It is something of a compliment to a Canadian to have a volume published by the World's Peace Foundation. In this case the Canadian is a woman. Miss MacCallum was born in the Near East but she is a Canadian citizen and taught for many years in the schools of Western Canada. She makes her home in Uxbridge, Ont.

Having written for many years on the subject of European Imperialism in Africa she found herself with an excellent background of knowledge in studying the implications of that British, French and Italian penetration into the Ethiopian area which has today brought about Europe's most tense situation since 1914. The volume is brief but packed with information.

There is an able introduction by Newton D. Baker, eminent American lawyer and international publicist.

LIVESTOCK UNDER THE A.A.A. By D. A. Fitzgerald. Published by the Brookings Institution, Washington. Price, $2.50.

The Institute of Economics of the Brookings Institution has been carrying on a continuous study of the many phases of the Agricultural Adjustment Administration in the United States. In the main these volumes have served to demonstrate the difficulties and repercussions of economic planning. Mr. Fitzgerald's volume is a painstaking analysis of one of the most important efforts of the Roosevelt New Deal.

COLUMBIA ENCYCLOPEDIA. Prepared by Columbia University. Published in Canada by Oxford University Press, Toronto, at $17.50. Pre-publication price (to October 14), $15.

The word "encyclopedia" usually conjures up a picture of a shelf-full of books. Occasionally someone produces a single volume encyclopedia but seldom is it the product of undisputed authorities and seldom is it broad enough in scope to be of real value to the educator, student, editor or publicist.

Columbia University has ridden two horses and handled them with acrobatic dexterity. It has produced a complete encyclopedia and done it in a single volume and at a moderate price. True the volume is a big one but it is sturdy and well bound. There are nearly 53,000 different articles and the 1,949 pages of text matter contain about 5,000,000 words. Canadian subjects are well represented. We imagine Mr. Bennett will not like it said of him that the 12 treaties that came out of the Ottawa Conference of 1932 were "minor." The provincial premiers do not rate a mention nor does Turner Valley or any of our leading mines, for that matter.

The great merit of this encyclopedia is that it gives briefly the major facts about any subject itemized. It does not pretend to provide a liberal education but to answer questions quickly and to refer the reader to the more authoritative sources of additional information when such is required.

BUSINESS ORGANIZATION AND ADMINISTRATION — By W. A. McKague. Published by Sir Isaac Pitman & Sons (Canada), 381 Church Street, Toronto. Price $2.50.

This volume is the result of an effort to produce a text book on business organization and administration from the viewpoint of Canadian requirements and Canadian practice.

The author is an experienced business and financial writer who, sometime ago, produced the volume on investment in the Queen's University series of financial studies. As general secretary of the Canadian Society of Cost Accountants and Industrial Engineers, he has access to the knowledge and advice of a great many practical men in Canadian business and it is quite obvious that he has drawn heavily upon them in preparing the material for his volume.

Mr. McKague outlines the different types of business enterprise and then carries the student through the routine of production, administration, selling, purchasing, labor relations, packing, delivery, traffic, accounting and finance.

Each chapter is illustrated with suitable charts or tables and has a series of questions designed to give the reader an opportunity of checking upon himself as to the care with which he has absorbed the material that has gone before.

In universities and commercial schools, there is a genuine need for a volume of this character and in addition it should prove a profitable investment for many young men either, entering business for the first time or occupying junior executive positions.

La TECHNIQUE d'EXPORTATION. By Henry Laureys. Published by Editions Albert Levesque, Montreal. Price $1.25.

Dr. Laureys, who is a director of the l'Ecole des Hautes Etudes Commerciales in Montreal, has already published in English a volume on the foreign trade of Canada, which is a standard textbook for the student of exporting. Now he has produced a similar volume in French as one of a series of Levesque "Documents Economiques." There are some 350 pages, bound in paper covers. An edition on better paper sells at $2.

This series of volumes is filling splendidly the need for authoritative commercial textbooks for French-Canada's young business men.

B.C. Pulp Deposits Plans For Extension of Wharf

From Our Own Correspondent

MONTREAL. — British Columbia Pulp and Paper Co. has deposited plans with the Federal Minister of Public Works, covering the proposed extension of its wharf at the Woodfibre plant in Howe Sound, B.C.

Under the Navigable Waters Protection Act, work on the proposed wharf cannot be started until a month after the plans have been filed with the department.

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WINNIPEG - CALGARY - VANCOUVER - OTTAWA

All Classes of Insurance except Life and Marine

Deposit with the Receiver General at Ottawa for the sole protection of Canadian Policyholders as at December 31st, 1934, $2,886,887.27.

Employment in Canadian Cities

Achievement by Vancouver of the most active employment period since 1931 featured monthly returns from chief Canadian cities on Sept. 1, as reported by the Dominion Bureau of Statistics. All cities were much busier than a year ago.

Details for the Maritime Provinces are given for that area, there being no available civic data.

Montreal.—Employment increased Sept. 1, by 2,000 since Aug. 1 on the paylists of the 1,296 co-operating firms, who employed 132,634. Considerable improvement was noted in manufacturing, particularly in textiles, while leather, musical instrument, tobacco and iron and steel factories were busier. Transportation, construction and trade also showed gains.

Quebec.—Employment increased, according to 166 employers of 13,486 persons, compared with 13,249 the preceding month. Manufacturing, particularly of leather products, and hotels and restaurants were rather more active.

Toronto. — Manufacturing showed substantial improvement, chiefly in leather, vegetable food, textile, electrical apparatus and miscellaneous products; wholesale trade also afforded increased employment, and there were slight gains in construction and services. Transportation was slacker. Statements were received from 1,395 firms with 120,353 workers, or 1,812 more than on Aug. 1.

Ottawa.—Minor decrease, chiefly in manufacturing, construction and services. Trade showed slight improvement. The 175 firms furnishing returns reported 13,342 employees, compared with 13,410 in the preceding month.

Hamilton.—Manufacturing showed little general change, improvement in electrical apparatus and other factories being nearly offset by losses in food and iron and steel plants. Construction also reported a small recession. 270 employers had 30,427 persons on their payrolls, compared with 30,492 on August 1.

Windsor. — Moderate reduction registered, where the 167 firms reported 14,245 workers, against 14,440 in Aug. Vegetable food factories were decidedly busier, but iron and steel plants, (chiefly automobile works), showed diminished activity.

Winnipeg.—Employment declined slightly; manufacturing as a group showed a small advance, but transportation and trade were slacker. An aggregate working force of 38,567 persons was reported by the 454 establishments making returns for Sept 1, which had employed 38,789 workers in the preceding month.

Vancouver.—Considerable advance in employment, say 411 firms, employing 33,594 workers, as against 32,298 on Aug. 1. Greatest gains were in food and iron and steel industries, while trade indicated moderate improvement, and construction was decidedly busier. Employment was much more active than on the same date of a year ago, when only a small increase had been noted.

Maritime Provinces. — Employment showed a moderate expansion on Sept. 1, the fifth successive increase in as many months. This is contrary to the usual seasonal trend. Most of the gain took place in construction, mainly of highways and roads, although general building and railway construction and maintenance were also rather more active. Slight improvement was indicated in mining, communications and trade. On the other hand, manufacturing as a whole was slacker, chiefly in fish-preserving and lumber factories, while logging and shipping also showed curtailment.

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Union Assurance Society Limited
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Offices at Montreal, Toronto, Winnipeg, Vancouver, Saint John
JOHN HOLROYDE, Manager. H. F. RODEN, Deputy Manager.
Toronto Office: 100 Adelaide St. West
JONES & PROCTOR BROS., LTD., *General Agents for Toronto.*

Carelessness Costs Lives

More lives were lost in fires in the first half of 1935 than in the whole of 1934. About 65 per cent of these deaths occurred in dwellings. All were caused, in the opinion of the Dominion Fire Commissioner, by personal carelessness.

Trade Increases

Canadian trade with the Republic of Columbia, Venezuela, Costa Rica, Nicaragua, Panama and the Dutch West Indies, has considerably improved during the last year. Exports from Canada to Columbia, Venezuela and Costa Rica reached a total of $1,636,475 in 1934, an increase of 40 per cent as compared with the previous year.

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ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND
LIFE, FIRE, CASUALTY
Total Assets of all Branches Exceed 1410 Million Dollars
Claims Paid Exceed - - - 2238 Million Dollars
Head Office for Canada
Lewis Bldg., 465 St. John St., Montreal
The Largest Insurance Organization in the British Empire
Established 1848

A Great Canadian Service

THE Ontario Cash-Mutuals with over $230,000,000 of insured property in Canada play an important rôle in the prevention of fires. Trained inspection officers keep constant vigil over these properties in urban and rural areas alike.

The low loss ratio maintained by this group over a long period of years gives ample proof of the value of this service and the careful selection used by these companies.

Other Points to be Remembered about this Group are:—

Canadian Owned and Controlled

THE Ontario Cash-Mutuals operate solely in Canada for the protection of Canadians. Surplus funds are invested in Canadian Government, municipal and corporation securities, contributing to the growth and progress of our country.

Strength

THE strength of a fire insurance company is of first importance to the insuring public. For every $1,000 at risk, the Cash-Mutuals have a surplus of $25.30, earning for themselves the distinction of being the strongest fire group in Canada.

Experience

THE oldest of the Ontario Cash-Mutuals now enters its ninety-sixth year and the youngest its sixty-fourth year. This great experience is an added protection to policy-holders and a record of which Canadians may be justly proud.

Fair and Honest

THE principles on which the business of the Ontario Cash-Mutuals has been built are based on fair rates and honest settlements. Canadians may support these purely Canadian institutions with confidence in their security and with the assurance that rates are fair and equitable.

Combined Assets exceed $7,000,000.00

This Advertisement is Sponsored by the following Companies:

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HEAD OFFICE: GALT, ONT. ESTABLISHED 1839

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SHREDDED WHEAT

Shredded Wheat was first sold in Canada in 1898, being imported from Niagara Falls, N.Y. In 1905 The Canadian Shredded Wheat Company Ltd., was incorporated and a new factory was built at Niagara Falls, Ontario. Since that time all the Shredded Wheat sold in Canada has been made in Canada by Canadians of Canadian grown wheat.

Shredded Wheat has been consistently advertised in Canadian magazines and newspapers since 1905. In 1934 the billionth Canadian Shredded Wheat advertisement appeared.

Shredded Wheat is advertised in—

Maclean's
Canada's National Magazine

◆

CANADA BREAD SUMMER GROSS HAD GOOD GAIN

A. G. Walwyn and A. W. Holmested, K.C., New Directors

Last stage in recapitalization of Canada Bread Co. was accomplished at the annual meeting on Sept. 30 when new directors were elected. There were only two new members elected to the board, A. G. Walwyn of Gairdner & Co., Toronto, investment firm, and A. W. Holmested, K.C. A. V. Loftus retired as director to allow these changes to be effected but will continue as general manager.

The new board now stands as follows: representing first preference shareholders—A. G. Walwyn, C. B. Shields, Toronto; representing B shareholders—A. W. Holmested, K.C., Toronto; representing common shareholders—C. H. Carlisle, president, R. S. Waldie, C. W. Band and Dr. J. H. McConnell, Toronto.

Dividends on the first preferred stock are expected soon. An interim dividend of one per cent was recently paid but the president, C. H. Carlisle, states that the regular 5 per cent dividend on the first preferred also may start soon. In July and August earnings were appreciably higher.

One black cloud on the horizon was mentioned by the general manager, A. V. Loftus. The company is experiencing heavy losses in Winnipeg at the present time as the result of a price war. Chain stores have again used bread as loss leaders to induce custom.

Mr. Loftus stated that important savings were being made in Montreal as a result of concentrating operations of three plants into one. The cake business in Ontario increased so much that the Avenue Road plant had difficulty in handling it. The Danforth plant is therefore being transformed into a modern cake plant. The company also had to enlarge the Windsor plant because of the press of business. Factories under lease at Kingston, Cornwall and Guelph are now profitable.

On Sept. 27 Judge Henderson in weekly court at Toronto declared the scheme of reorganization a proper one. It was opposed by Mervyn McKenzie, a dissenting shareholder, G. S. Haines for a committee of Class B shareholders, and E. J. Bennett, a dissenting shareholder, in person. The judge thought the "scheme will be beneficial to all classes of shareholders after taking into account any disadvantages which it imposes."

Sherwin-Williams Report To Show Income Steady

From Our Own Correspondent

MONTREAL.—An unofficial report is to the effect that the financial statement of Sherwin-Williams Co. of Canada, covering the fiscal year ended August 31 last, will show a substantial increase in sales. Operating expenses, on the other hand, were also higher, so that net earnings are expected to approximate those of last year, with perhaps a slight improvement.

Current business of the company is reported as satisfactory, with the open fall weather providing an important stimulus to the paint trade.

Dividends Declared

	This payment	Date payable	Date of record
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
B.C. Power c.	38c	Oct. 15	Sept. 30
Brantford Cord. pf.	50c	Oct. 15	Sept. 20
Bruck Silk	30c	Oct. 15	Sept. 20
Brew. Corp. pf.	37½c	Oct. 15	Sept. 14
Candn. Bronze c.	15c	Oct. 15	Sept. 30
Do., pfd.	$1.75	Nov. 1	Oct. 21
Can. Fairb'ks-M. p.	$1.50	Nov. 1	Oct. 21
Can. Indust. A & B	$1	Oct. 15	Sept. 30
Do., pref.	$1.75	Oct. 31	Sept. 30
Can. Iron Found. pf.	$1.50	Oct. 15	Sept. 20
Candn. Oil Cos. c.	12½c	Nov. 15	Oct. 31
Can. N. Pwr. c.	40c	Nov. 15	Nov. 1
Do., pf.	$1.75	Oct. 25	Oct. 15
Dom. Textile pfd.	$1.75	Oct. 15	Sept. 30
Great Lakes Pr. pf.	$1.75	Oct. 15	Sept. 30
Guar. Co. of N. A. c.	$1.50	Oct. 15	....
Do., extra	$2.50	Oct. 15	Sept. 30
Imperial Bank c.	$2.50	Oct. 15	Sept. 30
Int. Nickel, pf. U.S.	$1.75	Nov. 1	Sept. 30
Do., U.S.	81c	Nov. 1	Oct. 2
Invest. Found'n. p.	37c	Nov. 1	Oct. 3
Do., on arrears	13c	Oct. 15	Sept. 30
Kirkland L. G. M. c.	‡3c	Oct. 15	Sept. 30
Macassa Mines c.	5c	Nov. 1	Oct. 15
Maple L. Gardens	†35c	Nov. 1	Oct. 15
McColl Front. pf.	$1.50	Oct. 15	Oct. 1
Mtl. L., H. & P. c.	37c	Oct. 15	Sept. 30
Mtl. Telegraph c.	80c	Oct. 31	Sept. 30
Nat. Biscuit, c.	40c	Oct. 15	Sept. 30
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 13
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 30
Do., extra	1c	Oct. 15	Sept. 13
Russell Motor pfd.	$1.75	Oct. 15	Sept. 13
Do., on arrears	$1	Nov. 1	Oct. 16
South. C. Pwr. pf.	$1.50	Nov. 1	Oct. 16
Steel Co. of Can. c.	43¾c	Oct. 15	Sept. 20
Do., pfd.	43¾c	Nov. 1	Oct. 7
Tor. Elevators pf.	$1.75	Nov. 1	Oct. 15
Tuckett Tob. pf.	$1.75	Oct. 15	Oct. 1
Un. Gold Equities	2½c	Oct. 15	Sept. 30
United Secur. c.	50c	Oct. 15	Oct. 5
Western Groc., c.	50c	Oct. 15	Sept. 28
Do., pfd.	$1.75	Oct. 15	Sept. 20
Western Assur. c.	60c	Oct. 15	Sept. 20
Whittall Can pfd.	$1.62½	Oct. 1	Sept. 5
		Oct. 1	Sept. 14

†Initial.
aFor quarter ended Dec. 31, 1933.
‡Interim.

Saskatchewan's Revenue Shows Increase to Date

Saskatchewan's revenue position on August 30, 1935, was $1,749,000 better than at the same time last year, Premier J. G. Gardiner, provincial treasurer, revealed. This figure takes into account the fact that $400,000 of railway taxes which were collected after Aug. 31 last year have already been collected this year.

The fiscal year ended April 30. Saskatchewan's deficit for 1933-34 was $1,493,993 and Premier Gardiner recently estimated that the deficit for the fiscal year 1934-35 would be $3,000,000.

Increases in revenue are caused chiefly by increases in motor license sales of $162,000, gasoline tax, $260,000 and income tax collections, $48,000. The revenue figures do not include liquor board profits which are received every six months.

The following statistics show the comparisons of revenue collections for both years as at Aug. 31:

	1935 $	1934 $
Expenditures:		
Cash paid out	5,834,000	5,117,000
Accounts pay.	218,000	1,448,000
Totals	6,052,000	6,565,000
Reduction	......	513,000
Revenues:		
Collections	5,465,000	4,229,000
Revenue increase	......	1,236,000

Would Refund Nearly All Debt Of P. E. Island

At the recent one-day session of the new all-Liberal legislature of Prince Edward Island, authority was given for refunding $3 millions of provincial debt. The precise manner in which this refunding authority might be used has not been revealed.

At the end of 1934, the province had a gross funded debt of $4,554,000. Sinking fund amounted to $932,628, leaving a net debenture debt of $3,621,372. This year, the province has sold one issue of $200,000 of three per cent bonds.

Most of the outstanding debt of the province is not callable prior to maturity. Thus, in order to use the authority to refund $3 millions of debentures, it would be necessary to effect some change in the contractual rights of creditors of the province. Official information has not been forthcoming as yet, regarding the reason for adoption of the refunding legislation.

McColl Frontenac Stock Offering Not Underwritten

From Our Own Correspondent

MONTREAL.—No underwriting arrangement has been made in respect to the 110,000 additional shares which are being offered by McColl-Frontenac Oil Co. to its shareholders on the basis of one new share for each five shares held at $12 a share, nor does the offering involve payment of commissions to anyone, according to an official statement.

Should shareholders of the company decide to take up only a portion of the new issue instead of the whole amount, it would then follow that the company would be prepared to make other arrangements before completion of the sale of the stock.

Saskatchewan to Refund $3,000,000 Maturing 4's

Refunding of $3,000,000 of Saskatchewan four per cent debentures maturing Nov. 15, will be accomplished by issuing new bonds, according to a recent statement by Premier James G. Gardiner.

Donald Gordon, secretary of the Bank of Canada, was in Regina recently and will report on bond market conditions to Mr. Gardiner, at the latter's request. Mr. Gordon has been on a tour of western Canada visiting the provincial capitals and government officials.

Railway Earnings

Canadian National Railway

August	1935 $	1934 $	Increase $
Oper. rev.	14,199,344	13,532,418	666,926
Oper. exps.	13,626,797	13,467,142	†159,655
Net rev.	572,547	65,276	507,271
Aggregate to Aug. 31:			
Oper. rev.	109,229,058	107,022,440	2,206,618
Oper. exps.	105,356,066	101,890,179	3,465,887
Net rev.	3,872,992	5,132,261	†1,259,269

† Decrease.

Canadian Pacific Railway

August	1935 $	1934 $	Increase $
Gross earn.	10,936,576	10,929,992	6,583
Exps.	10,428,236	9,859,359	568,876
Net earn.	508,339	1,070,633	†562,293
8 mos. end. Aug. 31			
Gross earn.	78,594,767	78,857,525	†262,758
Exps.	70,498,227	68,220,998	2,277,229
Net earn.	8,096,540	10,636,527	†2,539,987

† Decrease.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 30

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
October 1, 1935

§Payable in U. S. only.
‡Payable in Can. or U. K.
†Payable in Canada, U. S., or U. K.
*Payable in Canada or U. S.
▲Payable in New York.

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)
October 2, 1935

Dominion of Canada Bonds

			Bid Oct. 2	Asked Oct. 2	Approx. Yield	Bid Sept. 23
Dominion	3½	15 Oct. 1935	99.90	100.15	...	99.90
Dominion	4	15 Oct. 1935	99.90	100.15	...	99.90
Dominion	2	15 Oct. 1936	99.85	100.25	1.76	99.85
Dominion	5	15 Nov. 1936	102.00	102.75	2.49	102.25
†‡Dominion	5	1 Mar. 1937	105.25	106.00	.70	105.25
‡Dominion	5½	1 Dec. 1937	106.25	107.00	2.17	106.00
Dominion	2½	15 Oct. 1939	100.00	101.00	2.24	100.00
Dominion	4	15 Oct. 1939	102.50	103.50	3.05	103.00
Dominion	4½	1 Sept. 1940	103.75	104.50	3.50	103.75
Dominion	5	15 Nov. 1941	104.75	105.50	3.98	104.75
Dominion	3	15 Oct. 1942	99.50	100.50	2.92	99.50
Dominion	2½	1 June 1943	97.00	98.00	2.79	97.25
Dominion	5	15 Oct. 1943	105.75	106.50	4.04	105.75
Dominion	4½	15 Oct. 1944	103.75	104.75	3.87	104.50
Dominion	4	15 Oct. '43-45	101.50	102.50	3.63▲	102.00
Dominion	4½	1 Feb. 1946	103.75	104.75	3.94	104.50
Dominion	3½	15 Oct. '44-49	100.00	101.00	3.37▲	100.00
Dominion	4	15 Oct. '47-52	101.00	102.00	3.79▲	101.75
Dominion	3	1 June '50-55	97.50	98.50	3.10	98.00
Dominion	4½	1 Nov. '46-56	103.50	104.50	3.99▲	103.75
Dominion	4½	1 Nov. '47-57	103.50	104.50	4.03▲	103.75
Dominion	4½	1 Nov. '48-58	103.75	104.75	4.03▲	104.00
Dominion	4½	1 Nov. '49-59	103.75	104.75	4.05▲	104.00

Dominion Guaranteed Bonds

			Bid Oct. 2	Asked Oct. 2	Approx. Yield	Bid Sept. 23
*G. T. P. Ry.	3	1 Jan. 1962	97.50	98.50	3.09	97.50
Can. N. Ry.	3	1 May 1944	98.25	99.25	3.10	98.75
Can. N. Ry.	3	15 Dec. '45-50	97.50	98.50	3.12	97.75
*Can. N. Ry.	4½	1 Sept. 1951	105.75	106.75	3.93	105.75
*Can. N. Ry.	4½	1 Feb. 1956	106.00	107.00	3.99	106.00
†Can. N. Ry.	4½	1 July 1957	105.00	106.00	4.08	105.00
*Can. N. Ry.	4¾	15 June 1955	108.00	109.00	4.09	107.50
Can. N. Ry.	5	1 Feb. 1954	107.50	108.50	4.33	106.50
*Can. N. Ry.	5	1 July 1969	109.75	110.75	4.02▲	108.75
*Can. N. Ry.	5	1 Oct. 1969	110.25	111.25	4.20▲	109.75
*M. Harb. C.	5	1 Nov. 1969	110.25	111.25	4.20▲	109.75

Provincial Government Bonds

Eastern—

			Bid Oct. 2	Asked Oct. 2	Approx. Yield	Bid Sept. 23
†N. Bruns.	4½	15 Apr. 1961	103.00	105.00	4.18	103.00
†N. Bruns.	5	15 Jan. 1960	106.00	108.00	4.46	106.00
N. Bruns.	5½	15 May 1950	106.00	108.00	4.75	106.00
N. Scotia	4½	15 May 1943	102.00	104.00	3.89	102.00
†N. Scotia	4½	15 Sept. '47-52	104.00	105.00	3.97▲	103.50
N. Scotia	4½	15 May 1961	105.00	107.00	4.06	105.00
†N. Scotia	5	1 Mar. 1960	107.50	109.50	4.36	107.00
*Ontario	4	1 June 1962	100.00	101.50	3.91	99.00
*Ontario	4½	1 Sept. 1944	103.50	105.00	3.84	102.50
Ontario	4½	1 June 1950	102.50	103.50	4.18	102.25
*Ontario	4½	15 Jan. 1962	103.00	104.50	4.22	102.50

Unlisted Mining Stocks

October 1, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Synd.	1.25	1.35
Adanac	.07	.08
Ardeen	.09	.10
Athona (Gt. B. L.)	.49	.52
Athabaska Portals	.35	.36
Bailor	.01	.02
Bidgood Kirk.	.05½	.06½
Bankfield Gold	.40	.42
Bathurst	.00¾	.01¼
Bosquet Gold	.05½	.06½
Can. Pandora	..	.04
Can. Radium	..	.40
Casey Summit	.06	.08
Canusa Mining	.05	.06½
Casey Contact	.02½	.03½
Central Porc.	.15	.17
Cons. Chib. Free	.54	.57
Cons. Chib. Pool	.52	.55
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	.11	.13
Forty-four Gold	4.50	5.25
Glenora Gold	.06	.07
Galatea	.05	.06
Goldside	.03	.04
Gold Eagle	.15	.20
Greenlaw	.04	.05
Hardrock	.43	.46
Hislop Gold	..	.06
Horseshoe	.01	.02
Hudson Patricia	.08½	.09½
Jellicoe	.06	.07
Johnson Nip.	.02	.03
Kirk. Gold Belt	..	.11
Lafayette L. Lac	.02½	.03½
La Palme	.23½	.24½
Long Lac Lagoon	.03½	.04½
Lamaque Gold	2.15	2.20
MacFarlane	..	.02
MacL. Cockshutt	.04	.05
Magnet Lake	.03½	.04½
Matachewan Can.	.11	.12
McCarthy Webb	.05	.06
Morrison Mines	..	.15
Mosher	.02	.03
N.A.M.E. Un.	34.00	..
North Shores	.02	.03
Okland	.19	.21
O'Leary	.07½	.08½
Opemiska	1.50	..
Pamour Porc.	1.95	2.00
Rice Lake	.03	.04
Shawkey	.40	.42
Silverado Gow.	..	.30
Smelter Gold	.05	.05
Smith Cobalt	.14	.16
Straw L. Beach	..	.10
Sturgeon R. Gold	.70	.74
Sun Bear	.09	.11
Thom.-Cadillac	.03	.04
Wells L. Las	.08	.10
Wingold	.04½	.05½
Young David	.11	.13
Wendigo	.10	.12

Listed Bond Quotations

Week Ending Sept. 30, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs	3	1939	3.00	50½	50½	50	50¾	46

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Range 1935 Low	Divd. Rate in $	Y'ld in %		Sales	Close Sept. 23	Week High	Week Low	Week Close
25	17	.	...	Do. pref.	80	17¼	17½	17	17
11½	9	.	...	Un. Amuse. A	20	9	11½	11½	11½
17½	7½	.	...	Do. (B)	..				
30	24	2	8	United Secs.	19	25	27	27	27
5	2	.	...	United Steel	325	3	2½	2½	2½
				V					
2.00	1.00	.	...	Viau Biscuit	....	1.30	..	..	..
20½	12	.	...	Do. pref.	....	15	..	..	..
				W					
27	16	.	...	Wabasso Cot.	230	17	19	16	18
33	23	.	...	Walker-Good.	2055	26	27	25½	25½
18½	16½	1	5.7	Do. pref.	627	17¼	17½	17¼	17¼
4.25	2.15	.	...	Walkerville Br.	285	2.25	2.25	2.15	2.25
2.75	1.00	.	...	Waterloo Mfg.	....	1.40	..	..	..
6	2½	.	...	West. C. Flour	....	3½	..	..	..
52	20	.	...	Do. pref.	....	25	..	..	..
43	32	50c	...	West. Grocers	26	43	43	41	41
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
16	13½	1	...	Weston Ltd., n.	650	14½	15	14	14½
115	100	7	6.3	Do. pref.	45	100	110½	110	110
8½	1½	.	...	Whittall Can.	464	8½	8½	8½	8½
112	75	6.50	5.8	Do. pref.	697	107	112	106	112
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	4	.	...	Do. pref.	....	4	..	..	..
2.25	.90	.	...	Winnipeg Elec.	111	1.05	1.15	1.00	1.10
10	4	.	...	Do. pref.	150	8	7	7	7
30	20½	.	...	Wood, A & J, p	....	20½	..	..	..
70	50	.	...	Woods Mfg. pf.	....	50	..	..	..
				Z					
5½	2¼		...	Zimmerknit, c.	....	21	..	..	..
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934.
| Quotations for 1933.
‡ Quotations for 1931.
No sales recorded in 1935 to date.
b New York Quotations.
▲ On account of arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
October 1, 1935

	Bid	Asked
Insurance Stocks:		
Acadia Sugar c.	3.00	....
Do., pfd.	4.85	5.00
Acme F. Dairy pf.	40.00	....
Allens Beach pfd.	51.50	....
Allens Tor. pf. b. com.	22.50	....
Aluminium Ltd.	37.50	40.50
Andian National	45.00	47.00
Atlantic Sugar pf.	105.00	106.00
B.C. P. & P. pfd.	8.00	12.00
Burns & Co. A.	4.50	6.00
Do., B	2.80	3.50
Can. & Dom. Sug.	54.00	55.50
Can. Mach. c.	.20	.40
Canada Paper pf.	68.00	75.00
Canada Starch c.	12.00	....
Do., pfd.	82.50	....
Can. Wire & C. pf.	64.00	67.50
Can. Indust. A c.	196.00	....
Do., B c.	195.00	198.00
Do., pfd.	155.00	158.00
Can. P'board pf.	4.15	6.00
Can. Tube 1st pf.	27.00	....
C. Westinghouse	47.50	49.00
Chase, A. W. pf.	24.00	....
Cl. Neon Adv. U.	5.00	5.25
Copeland Fl. M. U.	4.50	6.00
Corr. P. Box pf.	84.25	86.00
Dom. F. & St. c. (new)	21.00	....
Do., pfd. (new)	79.00	85.00
Dom. Mfrs. c.	2.00	....
Donna. Paper A.	2.50	3.50
Dunlop Tire pfd.	....	67.00
East. Dairies pfd.	12.00	14.00
Edm. C. Dairy pf.	49.00	....
Fed. Grain c.	.55	1.00
Do., pfd.	24.00	26.00
Gen. S. Wares pf.	38.50	40.00
Goderich Elevator	5.00	6.00
Green. Wire pf.	99.00	102.00
Guelph Carpet pf.	97.50	99.00
Do., c.	14.25	15.50
Hayes Wheels pf.	....	10.00
Highland Dairy c.	3.00	3.50
Do., pf.	70.00	80.00
Hueth. Brew. pf. b.	2.50	3.25
Int. City Bak. c.	18.50	....
Inter. Met. Indust. A pf.	29.00	34.00
Loew's Lond. pf.	1.70	2.00
Loew's Tor. pf.	112.00	115.00
Mansf. Theat. pf.	24.00	26.00
Maple Leaf Gdns.	3.65	4.15
Massey Harris pf.	23.50	24.50
Mercury Mills pf.	5.00	....
Morrow Screw pf.	95.00	....
New M. Laund. pf. bonus	65.50	70.00
Niag. W. Weav. pf.	50.00	52.00
Para. Oshawa pf.	57.00	....
Prov. Paper pf.	97.00	99.50
Rel. Grain pf.	66.00	....
Rob. Cons. Cone.	8.00	8.65
Rolland Paper	84.50	87.00
Ruddy, E. L.	26.25	30.00
Silverwood's D. p.	40.50	....
Stand. Fuel pf. b.	102.50	103.50
Super. Pet. B pf.	26.25	28.00
Toronto Carpet pf.	26.00	....
United Amuse. A	11.05	13.00
Do., B	10.00	11.00
United Steel pf.	3.55	4.00
West. Grain pf. b.	9.00	10.50
Insurance Stocks:		
Brit. America	35.00	37.50
Canada Life	470.00	....
Canadian Fire	73.50	77.00
Can. Ins. Shs. c.	10.00	11.50
Conf. L. 20% pd.	119.00	125.00
Cont. L. 20% pd.	35.50	39.00
Crown Life	104.00	....
Dom. Fire	112.00	....
Dom. L. 50% pd.	265.00	300.00
Dom. of Can. Gen.	....	85.00
Empire L. 25% pd.	5.00	....
Excel. L. 30% pd.	70.00	74.50
Fed. Fire 25% pd.	34.00	38.00
Fidelity of Can.	48.00	56.00
Gt. West Life	394.00	402.00
Guar. of N. A. fully pd.	240.00	....
Imperial Life	315.00	....
Mfrs. Life	253.00	260.00
Mon. Life 10% pd.	17.00	19.50
Nat. Life 25% pd.	53.00	57.00
Sov. Life 25% pd.	14.50	18.50
Sun Life	390.00	405.00
Tor. General Ins.	4.60	5.25
West. Assur. c.	34.50	37.00
Do., 12% pfd.	39.25	46.50
W. Emp. Life 20% pd.	....	9.50
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & W. T.	34.00	36.00
Premier Trust	87.00	92.00
Sterling Trust	31.00	35.00
Traders Fin. B pf.	62.00	....
Do., c.	.60	....
Trusts & Guar.	27.00	29.50
Victoria Trust	115.00	123.00
Waterloo Trust	98.00	....
Investment Trust Shares:		
Can. Gen. Invest.	6.40	6.60
Can. Investors C.	6.10	6.50
Can. Int. Tr. Un.	26.25	28.50
Cons. Div. St. Sec. Units	10.80	12.00
Deb. & Sec. pf.	28.00	31.00
Dom. & Anglo Inv. Units	199.50	....
Dom. Scot. Inv. U.	22.50	25.00
For. Pwr. pf.	4.25	....
Invest. Found. U.	41.00	42.00
Sec. Holding	11.00	13.00
United Corpns. A	18.00	18.75
Do., B	5.65	6.15
Power Issues:		
Calgary Power pf.	79.50	81.00
Can. L. & P. c.	24.00	27.50
Can. W. N. Gas pf.	89.00	91.00
Do., c.	19.00	21.50
Gr. Lakes Pwr. pf.	66.00	69.00
N.B. Tel. c.	10.60	11.50
Nor. Ont. Pwr. pf.	95.00	....
N.S. c.	50.00	....
Do., pf.	97.50	99.50

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s. 10½d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	16s. 3d.
Do., pref.	85s. 0d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Winnipeg Stock Exchange

(Transactions from Sept. 21 to Sept. 27)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 27
..	..	Federal Grain, pfd.	20	26.00	25.00	25.00
..	..	Flin Flon Synd.	4,700	.26	.24	.25
..	..	Forty-Four	10	5.50	5.50	5.50
..	..	Gabrielle	800	.20	.20	.20
..	..	Gold Lake	6,200	.30	.24	.27
..	..	Island Lake	500	.02¾	.02¾	.02¾
..	..	Knee Lake	4,000	.35	.33	.34
..	..	Ore Grande	1,100	.05½	.05	.05
..	..	Rice Lake Units	100	2.35	2.35	2.35
..	..	Rice Lake Shares	1,300	.03	.03	.03
1	8	United Grain	79	12.50	12.50	12.50
..	..	Wingold	2,500	.05¼	.04½	.04½
..	..	Wylie Dom.	9,500	.13	.11½	.13

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Bailor Gold	.01½	..	Rel. Grain, pfd.	..	66½
Beaver Fire	..	100	West. Grain, pfd.	8	11
Beaver Lumber, c.	..	3	Can. Amer. Trust	3.05	3.30
Candn. Fire Ins.	73	80	Can. Inv. Fund	..	3.80
City Dairy, A	..	10	West. Brew.	..	2.00
Crescent Cream., pf.	27	..	Fundamental A	5.07	5.62½
Federal Grain	..	75	Series B	4.74	..
Northern Trust	..	7	Grouped Inc.	4.50	3.00
Great-West Life	..	400	Pelissiers, pfd.	15.00	..
Home Invest.	25.00	..	Vanson Man.	.01	.02
Monarch Life	17.00	18.50	Wallace Lake	..	.03

*Stocks more active on other exchanges not included.

Barranquilla Becomes Port; Int. Petroleum Co. Affected

Marine Schedule of Imperial Oil from Fort William to Peru Changed — S.S. Talaralite Breaks 400-year Impassé by Entering Magdalena River

The whole marine schedule of Imperial Oil, Ltd., has been altered as a result of the success of engineers in opening the Magdalena River, Colombia, for the first time in history, to navigation by deep draught ocean vessels. In the previous 400 years history of Colombia the bar across the delta—known as Bocas de Cenizas or Ashen Mouths—has effectively stopped all larger vessels. Now Barranquilla, at the mouth of the river, becomes a Maritime port and products of the valley of the Magdalena running far into the interior, will have straight access to the ocean.

The Imperial Oil S. S. Talaralite, commanded by Capt. W. J. MacDonald, made the first run across the bar. It has been in the company's east coast Maritime service but when it sailed from Saint John, N.B., for Colombia on May 17 for Barranquilla it was replaced by the S. S. Imperoyal, which had formerly been running between Fort William and Sarnia, Ont. Another vessel replaced S. S. Imperoyal in the lakes service between Sarnia and Fort William.

Opens Large Territory

International Petroleum Co., Imperial Oil's great subsidiary, had to make extensive arrangements to adjust itself to the new fact in transportation in the northern end of South America. Pete's subsidiary, Tropical Oil Co., operates the only oil-producing company in Colombia. It has a concession of 1.3 million acres 350 miles up the Magdalena River from the Coast. It had already solved the problem of getting its crude to the ocean by means of the pipe line of Andian National Corp., which has a capacity of 50,000 barrels daily and connects with tidewater at Cartagena. But it also has a 5,000-barrel refinery at Barranca-Bermeja, Colombia, as well as a 16,500-barrel refinery at Talara, Peru. It supplies gasoline, refined oil and lubricants to South American ports from these refineries.

Tropical Oil Co. will now be able to supply the South American Coast with refined products of its refinery. To Colombia the Magdalena River may prove proportionately as important as the Mississippi River is to the United States. Whereas Barranquilla was formerly only a river port connected with the Carribean Sea by 17 miles of railway to Puerto Colombia, it now becomes the most important industrial and distributing river centre on the north coast of South America.

River Arrangements

When the S. S. Talaralite made marine history on May 28 last, by being the first large ocean steamship to cross the famous Ashen Mouths bar, the whole programme of port improvements at Barranquilla was not completed. There were no shore facilities available for loading bulk gasoline but there had to be a cargo of gasoline available. The company met the situation by removing the two towboats Barranca-Bermeja and Infantas from the Barranca-Bermeja-La Dorada service, where they were both busily engaged filling bulk storage at La Dorada, which can only be done during the high water season. These two vessels with their barges of gasoline proceeded to Barranquilla to meet the S. S. Talaralite at the scheduled time.

Makes Third Trip

The S. S. Talaralite loaded her cargo from the barges which the two boats brought alongside and crossed the bar again without mishap to proceed at once to Buenaventura, Colombia, to discharge her cargo. After discharging her gasoline cargo the S. S. Talaralite proceeded to Peru to load a cargo of crude oil for Halifax, which move in turn affected the layout of ocean crude oil carrying vessels.

To accomplish this transfer of gasoline from Barranca-Bermeja, the point of manufacture, to Buenaventura, the point of consumption, the boat schedules of the Imperial Oil ocean and lake fleets, as well as the Tropical Oil fleet of river steamers, had therefore to be readjusted from Fort William at the head of the Great Lakes to La Dorada six hundred miles up the Magdalena River in Colombia. Until wharves and terminals are all erected Colombia and Barranquilla will not get full advantage from the piercing of the bar. The Talaralite, however, continues her trips and is completing her third trip this summer to Barranquilla. She was met on Oct. 1 with the usual flotilla of barges.

Paying More for Silk

Makers of Silk Threads, Hosiery and Fabrics Will Now Charge Canadians Higher Prices

Though prices have increased already in silk hosiery and are inevitable in silk thread, silk fabrics and silk garments of all kinds, officials of companies making use of raw silk are slow to predict increased profits for the companies themselves. They point out that higher prices are a result of the marked increases in the price of raw silk in the last four months and that higher costs at one end may wipe out most, if not all, of the advantage obtained at the selling end.

Companies to Watch

Some of the companies in which investors are interested and which will be affected by the new situation are as follows:

Belding-Corticelli, Ltd., manufactures silk thread for all purposes, ribbons, braids, tapes, elastics, embroideries, needlecraft, novelties, hosiery, knitting yarns and silk fabrics. It controls market for silk threads and does an export business.

Celtic Knitting Co., Ltd., makes women's, children's and men's silk, silk and wool, and cashmere hosiery.

Riverside Silk Mills, Ltd., makes broad silk and silk yarns used in manufacturing women's lingerie and hosiery.

Bruck Silk Mills makes pure and artificial silk and weaves it into silk dress goods. It makes loaded silks also.

Supersilk Hosiery Mills, manufactures 12 lines of pure silk full-fashioned hosiery. It does an export trade as well.

There are also artificial silk mills which may gain some benefit if the real silk threads, yarns and fabrics go up very high in price. For instance, Canadian Celanese has the sole rights in Canada to the Dreyfus patents and processes for making cellulose acetate and artificial silk in yarns and finished fabrics. Ontario Silknit manufactures rayon products, lingerie, dresses, piece goods and does an important business in Australia and England as well as through factories there.

Hosiery Prices Up

Hosiery manufacturers have already advanced their prices. The raw silk which they use has gone up from $1.48 a pound on the New York market on June 20 to $1.98. The raw silk used by silk weavers has gone up from $1.30 to $1.92 a pound in the same period. The hosiery manufacturers have therefore to pay 50 cents more per pound and the silk weavers 62 cents more per pound.

Full-fashioned hosiery has already gone up in the wholesale price lists of Canada, 50 cents per dozen pairs. In the United States both small and large manufacturers have increased prices from 25 to 50 cents a dozen. Increases in fabrics are not yet reported in any volume in Canada but it is expected that manufacturers will follow the lead given in England and the United States. At first Canadian makers switched to China silks but these have also gone up in price to get in line with the advancing prices of Japanese silk.

Due to Raw Silk Advance

Manufacturers say these advances have had nothing to do with the Canadian surtax on Japanese raw silk. They are due wholly to world price increases of raw silk and duties may have to be absorbed as well later on in the retail prices.

First effect will be to increase the value of raw silk inventories of these companies and, if demand continues good, it should help the financial situation of the companies. Manufacturers rather expect that increases so far made are not enough to affect demand materially or to cause it to switch noticeably to other and cheaper materials. Such changes in the past have generally favored artificial silk fabrics. Silk is still far below the old prices of $5 and $6 a pound. It has sold for as high as $15 a pound. So considered, it is still very cheap.

May Aid Artificial Silk

Manufacturers of woollen and cotton garments say the matter is of little importance to them. The three fibres have never been competitive to any great degree. There is no protection against light woollen goods which might be competitive with silk in certain dresses and sweaters and therefore these competitive garments are not made in Canada. Usually they are imported from England.

If the price increase continues it may be of importance to users of artificial silk, rayon and celanese. The tariff against raw silk in the United Kingdom has done much to popularize those fabrics. So far, however, price increases are not such as are likely to disturb the present balance of uses.

ST. HYACINTHE SIGNS NEW POWER CONTRACT

Amount Contracted Reported to be Many Times Requirements

From Our Own Correspondent

MONTREAL. — City of St. Hyacinthe is reported to have signed a contract with the Quebec Light and Power Co. for the delivery of 33 million kw.h. of electrical energy per year at a rate of one-half cent per kw.h.

C. B. Hibbard, represents the Quebec Light and Power Co., which has agreed to construct a plant and transmission lines within six months of the date of the contract and to deliver power on or before October 31, 1936. The city agrees to accept delivery at an earlier date and the work should be completed in less than the stated time. If the company fails in its engagement to build, or if it does not deliver the power upon the agreed date, the contract becomes null and void and the city will have full liberty to purchase elsewhere.

Doubt Contract Signed

Montreal utility interests, familiar with the power situation in the eastern townships of Quebec, find difficulty in giving credence to this report. The City of St. Hyacinthe recently installed Diesel engines to supply its own power requirements. These requirements are estimated not to exceed four million kw.h. per year, so that there does not appear to be any reason why the city should enter into a contract calling for the delivery of seven or eight times the power now being used. It is also said that the City of Sherbrooke was at one time interested in securing power from the same source, but the power plant still remains to be constructed.

There is no connection between the Quebec Light and Power Co. and the Quebec Power Co., which is controlled by the Shawinigan Water and Power Co.

Imperial Tobacco Pref. Promoted from Mont. Curb

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has called for trading the preferred stock of Imperial Tobacco Co. of Canada. The listing covers 1,650,000 shares of six per cent cumulative preference stock, with a par value of £1 each.

This security was formerly traded in on the Montreal Curb Market, but with promotion to the big board, trading ceases on the Curb.

Bell Telephone Executive Changes

E. PALM

Vice-president of finance, who has retired after a telephone career of 45 years, 25 years of which were with the Bell Telephone of Canada.

J. JOHNSON

Former comptroller, who has been promoted to vice-president in charge of accounts and finances in succession to E. Palm, who has retired

Bond Conversion

Reduction of Interest Rates Only Justifiable If All Classes Make Simultaneous Sacrifices

If a conversion of government bonds at reduced interest rates, as proposed by Rt. Hon. R. B. Bennett, is necessary in Canada, then:

It should be part of a programme of rigid governmental economy;

Reduction of interest rates should be applied on a flat percentage basis to all internal debts;

Reduction of rents, salaries and pensions might also be considered;

Debt owed abroad should not be tampered with;

A thorough impartial study should first be made of ability to pay.

Montreal View

These views, which go Mr. Bennett one better, are expressed by Mead & Co., Montreal investment firm, in a recent bulletin. Incidentally, the bulletin fails to give serious consideration to the fact that a good deal of interest rate reduction has already been effected in Canada.

The bulletin states, in part:

"Whether debt is excessive or not lies in the capacity—or the will—of people to pay. Capacity to pay can be determined by economists and auditors. Will to pay is a matter of character and intelligence. So far as our capacity is concerned, it is a matter of arithmetic, and not conjecture, to conclude that we cannot pay so long as successive governments continue to regard certain drains on the public purse as unavoidable. Any previous opinions we may have held as to our will to honor our pledged word must be revised in the light of recent extraordinary and shocking indications that expediency and convenience are to supersede honesty and fair play.

"Clearly, for years to come Canada, now a debtor country, must continue to borrow, or at least refund, abroad. Interruption of the spirit, as well as the word, of sanctity of external obligations would be disastrous. Measures, therefore, which would alleviate the burden of debt, must be confined within the family, as a purely domestic affair.

Two Courses

"There appear to be two courses for Canada to follow: (1) currency inflation, and (2) arbitrary reduction of debt charges.

"For a debtor country like Canada to indulge in heavy inflation of currency would be to take the road to ruin. With a diluted dollar and exchange against us, service of our large foreign debt would become so burdensome that it might easily prove impossible. From the point of view of the bondholder it would entail a combination of serious income reduction and capital levy.

"Let us be plain regarding 'conversion,' that the problem which England so successfully solved a year or two ago is entirely different from ours. The English loans which were converted were callable, and were in effect called for redemption in strict adherence to the terms of the original issues

Australia and France

"In Australia the situation was different from England—it was very like our own, and in some respects worse. Interest of all internal commonwealth state and public and company debentures was reduced by 22½ per cent, mortgage interest and rents were similarly reduced, and salaries and pensions also were drastically cut. These measures, all of which were purely internal, enabled a comparative equilibrium in public and private finance and economics gradually to be brought about.

"France, faced once more with an acute financial crisis, with excessive debt and reduced tax capacity, and after a sufficiently recent lesson in the dire results of currency inflation to make her say 'any way but that,' has brought in sweeping measures calling for: reduction in interest rates and rents; discriminatory taxation and government economy. Government obligations (purely internal) have, in effect, been forcibly converted to lower interest rates, and private borrowers have been given the right to do the same.

"Wide scale 'conversion' has its inequalities, but its impact, if conducted on sane lines, should be purely domestic. The following points should be given full consideration; assuming that the need of debt relief exists:

"(1) The extent to which interest charges should be reduced should be a matter of study by independent, competent authorities.

"(2) Each class of people should simultaneously make a contribution to the national welfare. It is wrong to compel bondholders to accept a reduction of income unless they are satisfied that every possible economy has been effected. This, in Canada, presumes: a reduction in the cost of government; definite cessation of government railway deficits; precise limitation of government subsidies to industries, marketing boards, etc.; a measure of control by the Dominion over borrowing of subordinate public bodies.

"(3) There can be no tampering whatever with external obligations.

"(4) Interest reduction should be effective over all internal debts.

"(5) Reduction must be made on a percentage basis. In other words, whether interest rate be 1 per cent or 8 per cent the same percentage cut should apply.

"(6) Following the Australian and French arrangements, reduction of rents, salaries, pensions, etc., might be considered, but if other economies were thoroughly enforced, further steps in this direction could be avoided.

"A combined saving of $100 to $150 millions should be possible. Canada would be in a position to make tremendous progress. The sacrifices made by bondholders would be substantially restored to them in increased profits if they were fortunate enough to be engaged in business or a profession.

"One class would suffer desperately—the retired person, living on a meagre income from investments—the small 'rentier.' On the basis of income tax exemption some rebate, or auxiliary pension could surely be organized to take care of such cases where useful employment is no longer possible.

"Broad conversion may be necessary but can only be justified if equally comprehensive economies are enforced simultaneously. Such conversion should not be a distinct arrangement, but part of a much greater programme directed to one end—the maintenance of Canadian credit and restoration of constructive activity."

Advertising Manager

J. G. HAGEY

Who has been appointed advertising manager of Canadian Goodrich Co., Ltd., succeeding R. C. Groffmann. Mr. Hagey has been with the Merchants Printing Company, of Kitchener, and Brigdens Ltd., of Toronto, and had previously been associated with the Canadian Goodrich Co.

Farm Board Loan Policy Evokes Many Complaints

From Our Own Correspondent

OTTAWA.—Numerous complaints are being received at Ottawa regarding what is termed the "tight money" policy being pursued by the reorganized Federal Farm Loan Board. It is apparent that Maj. John Barnett, the new chairman of the board, who had a somewhat difficult experience in administering the old Soldier Settlement Act, is being very chary about putting out the funds placed at the disposal of the board by the Government under the statute enacted last session.

The loanable funds of the board were boosted by something like $50 million dollars but the Barnett administration apparently is checking up carefully on each of the 3,000 applications which, it is learned, have been filed to date, and only good risks are being accepted. The new money being loaned, therefore, is but a small fraction of what was confidently expected and predicted, and demands for a more generous loaning policy are being received.

Irwin and Haskell Join Power Corp. of Can. Board

From Our Own Correspondent

MONTREAL. — John Irwin and L. C. Haskell have been elected directors of Power Corp. of Canada, to take the places of the late Col. J. R. Moodie of Hamilton, and Noah A. Timmins, Montreal, who resigned. John Irwin is president of the McColl-Frontenac Oil Co., while Mr. Haskell is secretary of Power Corp., as well as a number of other companies.

At a special meeting held just previous to the annual meeting, a by-law was adopted reducing the size of the directorate from ten to seven.

8-HOUR-DAY ACT PUT INTO EFFECT; LACKS RIGIDITY

Trade and Industry Body Assumed Tariff Board Duties

From Our Own Correspondent

OTTAWA.—The tariff board took over its duties as the Dominion Trade and Industry Commission last Tuesday and supporting the Weekly Day of Rest Act which became effective last July, the Eight Hour Day Act went into operation today, Oct 5.

The Dominion Trade and Industry Commission is, in a sense, the administrative force behind all the Bennett new deal measures. The Combines Investigation Act, of which Fred McGregor is the registrar, now passes under the control of the Commission and some score of other regulatory enactments are also given to it for enforcement.

The one missing link in the governmental personnel so far as these statutes are concerned is the director of prosecutions who is still to be appointed and whose duty it will be, should the Commission find that Federal enactments are being flouted, to take suitable action.

Not Rigid

The eight-hour day or 48-hour Week Act is in force from Oct. 5 and applies to all industrial undertakings, mines, quarries, industries, shipbuilding plants, electric power plants, construction activities and transportation companies. The Act is not rigid although it aims, clearly, at the objective of the 48-hour week. If short time is worked one day, employees may be worked longer hours the next. This can be done, however, only upon consent of the workers. The government, by order-in-council, may make exceptions to the Act.

Violation of the Act is punishable by a fine ranging from $20 to $100.

Coal Versus Oil

Must Not Hobble Inventive Progress, Says Imperial Oil Executive — Coal Should Find New Applications

"It is not in line with modern thought that inventive genius should be hobbled so as to preserve the old order," said L. C. McCloskey, vice-president of Imperial Oil, Ltd., in a recent statement before the Royal Commission on the Petroleum and Coal industries at Vancouver, B.C.

Representatives of the coal industry in British Columbia have been blaming a large part of their troubles on the increasing use of fuel oil. British Columbia probably uses a larger proportion of fuel oil in Canada than any other province. There is a large demand from mining and lumbering companies and also it has displaced a lot of bunker coal for ocean vessels. The coal industry thinks that there should be a tax on fuel oil.

Should Find New Outlet

Mr. McCloskey contends that the coal industry is in exactly the same position as the petroleum industry was some years ago when electric light ousted the kerosene lamp. The petroleum industry then was faced with a rapidly dwindling market for its major product, kerosene. The crisis was avoided by the evolution of the internal combustion engine. The petroleum industry met its problem by developing fuels that increased the efficiency, service and value of the internal combustion engine. This extended its use and enlarged the markets for petroleum products.

He claimed that there was necessarily a limit to the use of coal in its present applications. The evolution of the modern passenger and cargo vessels, the development of the Diesel engine and the greater efficiency and higher performance required by industry in transport have been the forces that work against the interests of coal. To succeed, the coal industry must discover further applications of coal to industry

Not a Monopoly

Mr. McCloskey denies that the oil industry in Canada is monopolistic. He claims that a few minutes drive around any Canadian city will show that there is no monopoly. On the contrary, he says, there is excessive competition resulting in an extravagant and unnecessary duplication of sales outlets. As the pioneer company Imperial Oil cannot be blamed for this, he said. It paid fair wages continuously to a large number of people and gave a dependable service. It was under more onerous regulations than those pressing on some of its competeitors.

TAXES MAY FORCE CHANGE IN RATES B. C. POWER CORP.

Further Increase Could Not be Ignored, Says President

From Our Own Correspondent

VANCOUVER.—Any further increase in the burden of taxation being borne by B. C. Power Corporation will have to be considered in relation to the present scale of rates and charges for the various services furnished by the company, according to President W. G. Murrin in his address at the annual meeting here.

The company's total tax payments represent more than 25 per cent of the net revenue before providing bond interest and fixed dividend payments, and the increase in taxation shown in this year's balance sheet amounts to $237,075.

Mr. Murrin reported increases in revenue in all departments and an increase in gross revenue over the previous year of $403,417. The balance of net revenue available for common stock dividends and after providing for bond interest and preference dividends, shows an increase over last year of $39,643.

Increased costs were due to partial restoration of wage cuts, extensive repairs to facilities wrecked in winter storm and, most of all, to increased taxation.

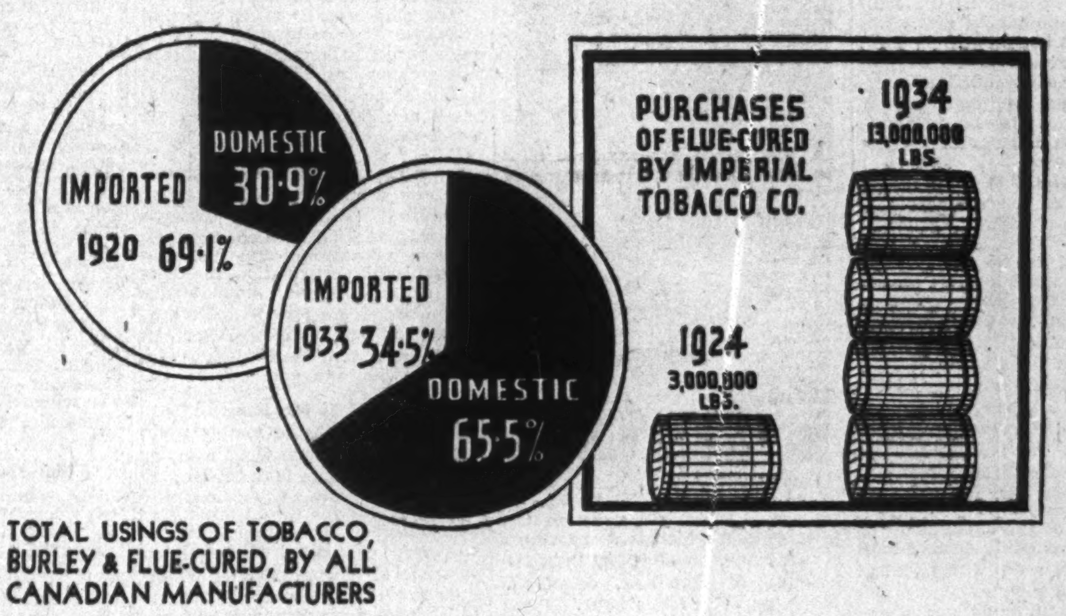
DEBT ADJUSTMENTS IN SASK. $303,340

"Will Run Into Millions" When Completed: Gardiner

Debt adjustments totalling $303,340 have been effected under the Saskatchewan government debt adjustment machinery in the municipalities of the province, according to Premier J. G. Gardiner. Total adjustments to date run into "hundreds of thousands of dollars" the premier's statement says. By the time the adjustments are made in the entire drought area, reductions affected "will run into millions."

In one municipality cited, 13 companies held 208 first mortgages with a total arrears of interest of $223,851. Of this amount $99,612 was written off. Of $98,140 in arrears of taxes the municipality wrote off $28,645 and the province wrote off $104,019. All these adjustments were made through consultation and co-operation between the companies concerned and the provincial debt adjustment board and local government board. The total adjustment was $232,276. These adjustments averaged $1,016 per farmer. Details of adjustments in another municipality are said to show an average reduction per farmer of $452.

Supporting Home Production



TOTAL USINGS OF TOBACCO, BURLEY & FLUE-CURED, BY ALL CANADIAN MANUFACTURERS

No single policy of the Imperial Tobacco Company is adhered to with more determination, or practised with more sympathetic co-operation, than that which prescribes the use of Canadian materials and supplies, whenever and wherever possible.

Needless to say, the Company's first care must always be to safeguard the reputation of its brands. In everything it buys, therefore, it insists upon its own standards of quality. When Canadian products fail to measure up to those standards, it has no alternative but to import. But where it has reason to believe that, with explanation and assistance, the problem of producing in Canada up to the required standard of quality is definitely solvable, it is prepared to go to almost any length in co-operating with Canadian producers, so that they can qualify for its business.

The tobacco growing industry provides two cases in point. In the Leamington district, the growers of Burley were successful almost from the start in producing leaf comparable with Burley, heretofore imported from Kentucky. As a consequence, year after year the Company has purchased the major part of their crop. In recent years the Company has been able to increase its purchases from them, due to its success in creating a demand for Picobac Pipe Tobacco made entirely from Canadian Burley.

But the Norfolk County growers of Virginia flue-cured tobacco experienced some difficulty in producing leaf of the colour and texture comparable with that imported from Virginia and North Carolina. So the Company sent its experts to guide them in experiments with various kinds of seeds and fertilizers, to instruct them in better methods of planting and harvesting, and to assist them with their curing. And as the growers succeeded in meeting the Company's requirements, it used more and more of their product.

In 1920, only 30.9 per cent. of all the leaf used in the manufacture of tobacco in Canada was domestic leaf. By 1933 the usings of domestic leaf by all manufacturers had increased to 65.5 per cent of the total.

It is a matter of much gratification to the Imperial Tobacco Company that improvements year after year in the quality of Canadian leaf have enabled it to support home production so effectively.

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

Ideal Canadian Home Under Way at Hamilton

Major Experiment in Modern Housing Shatters Orthodoxy

BY KENNETH R. WILSON

A major experiment in modern housing is being made in Canada.

Just below the mountain at Hamilton, Ont., the Pigott Construction Co. of that city is erecting a house that shatters orthodoxy in dwelling construction.

Its chief ingredients are steel, cork and concrete.

Outside and inside it will look, when completed, not a whit different to any modern, well-built structure. But there the similarity stops.

Thermos Bottle House

This house will be almost as well insulated against heat and cold as the inside of a thermos bottle. It will be completely fireproof . . . Will cost but a few dollars a month to heat. . . . Will be completely air-conditioned. . . . Will have no radiators or heating pipes. . . . Will be extraordinarily easy to maintain and operate—or alter at any time if that is desired.

Forerunner in Glasgow

Twenty years ago Lord Weir experimented with "steel" houses in Glasgow. They were a failure. None liked them—inside or out. In the meanwhile science and industry have been moving quietly ahead to perfect in the field of residential construction, principles now commonplace in other types of building. The new Pigott development, marks the first important step to be made in this direction in Canada; brings into play, particularly the tremendous advances made in all types of construction in the past five or six years.

Complete Equipment

Cost of the new houses are at present slightly higher than for well-built custom jobs but this cost includes such unusual features as a completely equipped kitchen (including electric refrigerator, stove, monel metal equipment, etc.); venetian blinds throughout; awnings; linoleum or hardwood flooring throughout; complete air-conditioning system.

Five types of houses have been planned initially by the company in collaboration with Hutton and Souter, architects. They range as follows, inclusive of all "extras," as specified:

4½-room house	$6,000
5-room house	7,500
6-room house	10,000
7-room house	12,000
8-room house	13,000

Big Programme

A seven-room house is now under construction at Hamilton. Commenced four weeks ago it will be completed in little over six weeks time. It will be used by the company as a demonstration unit. Another house has been sold and within a month the company will be prepared to build to suit individual purchasers in the Hamilton district. Subsequently it hopes to open branch offices in Toronto, London and Ottawa.

There is nothing standard about these houses as far as individual purchasers are concerned. Any sort of exterior — brick, stucco, stone timbering, etc., can be used. Interiors can be adapted to meet individual requirements. The only standardization is in the unit materials such as structural steel frames; the cork insulation slabs and so forth.

Low Cost Financing

Financing is being arranged through a loaning institution in conjunction with the federal housing Act. This permits financing on a 5 per cent, 20-year basis for the entire mortgage; enables 80 per cent of the total cost of the dwelling to be financed at a monthly cost of $6.60 per $1,000 after a down payment of 20 per cent is made.

The houses will be built by a special department of the Pigott Construction Co. which will plan the dwelling in conjunction with the architects and erect it complete to the customers specifications. Eventually it is planned to include an interior decoration service as well.

Backed By "Joe Pigott"

Behind the project is well-built, aggressive Joe M. Pigott, 50-year-old son of the founder of the firm which bears his name. Joseph Pigott's father (Michael A.—a good Irishman) built Hamilton's City Hall over fifty years ago. To the son's credit are a score of leading institutional and industrial buildings in all parts of Ontario.

"About a year and a half ago we tried arousing interest among general contractors in the dwelling house field," Mr. Pigott told me this week. "We felt the market for new office buildings, hotels, apartments and factories was limited, and that at the same time dwelling construction for various reasons had lagged behind.

Not "Prefabricated"

"We did a lot of experimentation but soon discarded our original idea of a standardized or prefabricated structure. Our houses must not be confused with what is vaguely called 'prefabrication.' We act alone; purchase our materials direct from various firms on a tender basis and build the house on the job like any other contractor. Patents are pending on many of these new features.

"Eventually by increased production we hope to get prices lower, in the meantime we are genuinely anxious to encourage the development of these entirely new ideas into the Canadian housing picture.

"We want to show what the house of today should be. Much has been done to improve technical and mechanical equipment in houses, but as Beamis, the famous housing authority of Boston says: 'It's like putting new wine into old bottles' to put these beautiful new things into the old housing shells of fifty years ago.

Ideal Housing Conditions

"Our houses will, we believe, offer 'ideal' living conditions. They will be almost as perfectly insulated, for example, as the inside of a thermos bottle. The steel shell will be completely covered on the outside by a three-inch covering of cork. Windows will be of casement type, double-glassed and insulated. A complete automatic air-conditioning unit will be installed which will wash, filter, heat, circulate and humidify the air.

"In summer to cool the air, the system will be automatically ventilated by the cool air from outside between 12 midnight and 4 a.m. We believe the house will retain this cool night temperature for the complete 24-hour period.

Special Features

"We will equip the houses with venetian blinds and awnings as these are important aids to a successful air-conditioning job. Very little heat will be required in winter, the average cost for the 7-room house for the season being about $70. In Hamilton we are using gas as it is more adaptable than coal to this type of unit which needs only intermittent heat. Insurance will be cut substantially due to the fireproof nature of the structure.

"On both the inside and outside of the steel and cork structure, metal mesh will be attached which will hold ordinary plaster inside and any desired material such as stone, brick or stucco on the outside. The roof will be of zinc. All heating and ventilating will be done by ducts without use of pipes or radiators. There will be absolutely no "shrinkage" customary in the old type of house; door sash will be of metal with very little trim. With a constant flow of materials we expect to complete construction much faster than in ordinary houses.

Standard "Panels"

"The structural steel frames will be standard and formed of 4 ft. by 10 ft. shapes, bolted together. This gives a certain standardization in shapes but beyond that there is complete freedom in architecture and material. The only stipulation is that size must be in terms of 4 ft. units or 4 ft. units plus 2 ft. units. The whole structural frame in its vertical and horizontal members for walls, floors and roof are structural steel. The floor slabs are reinforced concrete and finished with new designs in linoleum or oak blocks.

"Incidentally I believe linoleum flooring is destined to play a very important rôle in the house of the future.

"The partitions are steel and gypsum. The outer wall enclosing the steel uprights consists of 3 in. cord slabs and outside of this comes the wall finish either reinforced stucco, brick or stone."

Sponsors "Ideal" House

"JOE" M. PIGOTT

President, Pigott Construction Co., of Hamilton, which is sponsoring a revolutionary development in house-building at Hamilton, details of which appear in this issue.

PACKARD SHOWS NEW CAR MODELS IN FOUR LINES

Many Changes in Engineering and Interior Design

Packard is in full production on four lines of new model cars, which have just been announced. They are the "One Twenty," which was introduced in 1935 as a completely new Packard in the $1,600 price field, the Eight, Super Eight and Twelve. All lines retain the distinctive Packard appearance and are powered by eight in line and twelve cylinder engines.

The "One Twenty," so called because of its wheel base, now produces 120 horsepower. Increased acceleration is claimed as a result. A further smoothness of engine operation and increased economy of both gasoline and oil is also said to have been effected. This is because the engine operates at 315 fewer revolutions per mile. Interiors have been made considerably brighter and more attractive.

One inch more leg room is provided in the front compartment of all body models. In all sedans the rear seat compartment is 1½ inches wider.

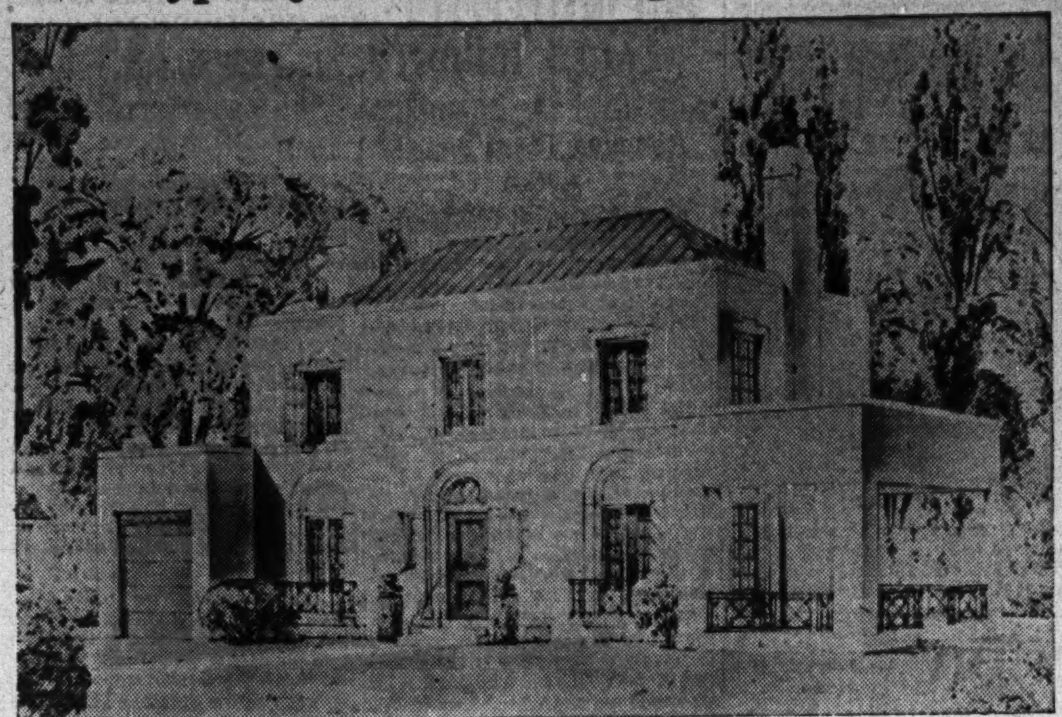
Larger Models

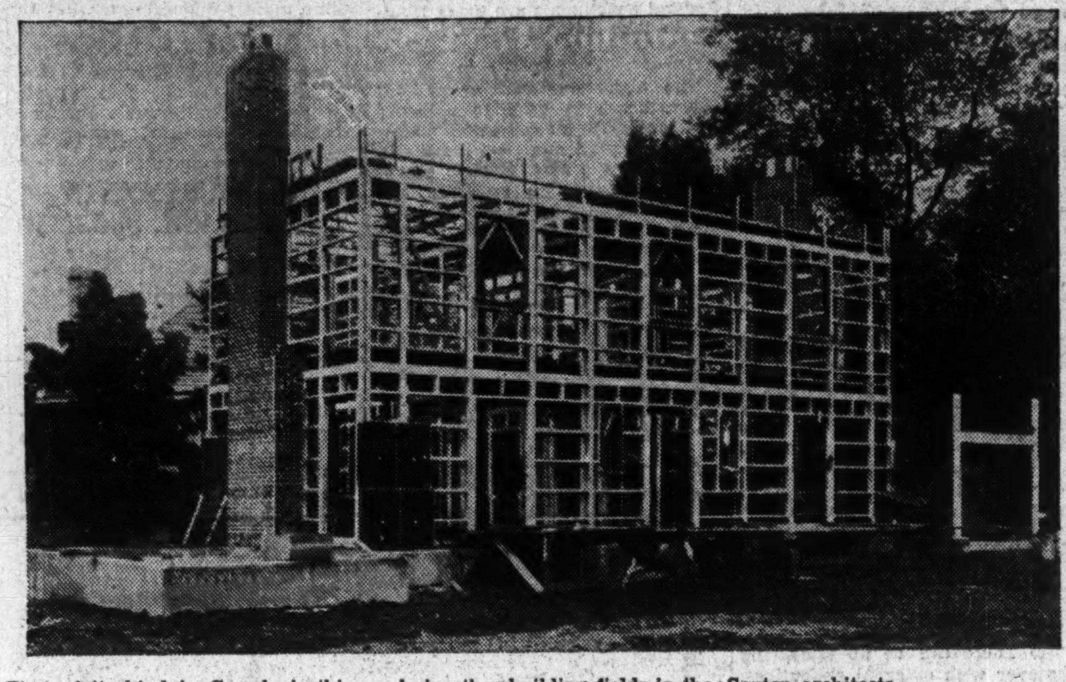
The larger models appear even longer and sleeker than in other years. Engines develop 130, 150 and 175 horsepower on the Eight, Super Eight and Twelve, respectively. The three cars are provided with power brakes, and with automatic chassis lubrication which keeps the chassis lubricated while the car is being driven. Engines carry full flow oil filters and each has an oil cooler.

The Twelve engine is also provided with automatically adjusted hydraulic valve silencers. It also has a carbureter system which is claimed to give more nearly the ideal cool gasoline and air mixture than has heretofore been devised.

Wheel bases of the larger cars run from 127 inches on the Eight five-passenger sedan to 144 inches on the Twelve seven-passenger sedan models. There are eight different chassis in the three lines with 36 different body models, not including the custom cars.

New Type of House Developed at Hamilton





First of its kind in Canada is this attractive seven-room house now under construction at St. James Court, Hamilton, Ont. It aims to revolutionize dwelling construction in Canada by introducing to the housing field the important advances made in other building fields in the past decade. The framework is constructed entirely of structural steel, completely insulated with three-inch cork slabs. It is being built by Pigott Construction Co., of Hamilton, in conjunction with Hutton & Souter, architects.

The upper picture shows the house as it will appear when finished (about Nov. 15), while the lower photo shows it as it appears today with the structural framework in position.

CANADA AND WAR

(Continued from page 1)

of making propaganda in favor of the present (Liberal) government of Canada," and he quoted from an article I had written and signed.

"We were recently asked by cable to answer at once by cable that we were ready to embark on another and greater war.

"Some men, not Canadians, who have unusually good sources of world-wide information, whose judgment is generally sound and whose views are held in high esteem, are positive that had our Premier succumbed to the Lloyd George-Churchill demands, preceded as they were by propaganda and scheming for Canadian participation, the British Empire would undoubtedly have been at war now with Turkey, Russia and perhaps India, Afghanistan, Persia, and God knows who else or what the end would have been."

Cited by Mr. King

In March, 1928, the matter again came up in the House when Premier King in his defense said: "Then may I give my honorable friends opposite the opinion of one who, I think, was well informed at the time, but who no one for a moment will say is an advocate of the present administration, much less myself. I refer to Lt.-Colonel John Bayne Maclean."

Mr. King read the quotation which appears above and then said: "That was the opinion at that time of Colonel Maclean, and he had sources of information which, I do not hesitate to say from what I have since learned, were pretty reliable. The view which he there expressed I have been told in Great Britain on very high authority was not very far from the mark as to what might have followed had Canada not taken the position which she then did."

Later on May 28, 1928, the matter was again brought up in an attack by Mr. Bennett on Prime Minister King. Parts of the article which I wrote in 1922 were again read and Mr. King in his defense said: "It is a statement of Colonel Maclean, a friend of my honorable friend."

Keeping in Touch With East

I am asked sometimes how I have known so much of the Near East situation. It is part of our regular work. The Financial Post and the other newspapers in the MacLean organization are engaged primarily in gathering news that may directly or indirectly promote or affect the prosperity of the masses of Canadians, interpreting that news in the light of experience and advocating sound constructive policies based on it. It is for that service a million and a half Canadian readers pay us an annual subscription fee.

Raids on Investors

I had been in fairly close touch with the Near East situation for a considerable time and was watching it not only because of its value as a news story but because of the efforts of one section of this group of international promoters and speculators to get more millions of easy money out of Canada as had Greece and Roumania, none of which has ever been repaid. When the Dominion Government, learning by experience, would lend no more, these people went after the savings of the masses across Canada. Great flotations of bonds were announced, encouraged and supported by a few Canadians then prominent in financial, industrial and political circles. Canadian newspapers had stories of the dazzling profits, to be made in the recently conquered areas, farming would require $40,000,000 Canadian implements. Part of this crowd were the same men who deliberately looted the Home Bank of Canada with shameful losses to its large Irish Roman Catholic clientèle. The Financial Post exposed and killed many of these various schemes without covering the sensational news stories that lay underneath.

War-Making Ambassador

For example, it was at this time that a former American ambassador to Turkey, Henry Morgenthau, rushed to Canada to fight our stand and to organize the churches and charitable institutions to oppose the prime minister. Mr. Morgenthau invited himself to address the Toronto Canadian Clubs. He has a charming personality and is an intensely interesting speaker. A great gathering came under his spell and cheered him again and again.

Newspapers quoted him with approval. But not The Financial Post. Instead on our front page that week we exposed a number of his misstatements and said among other things that while he urged us to a new war to save Christianity and keep the Dardanelles open and the Turks out of Europe "he failed to explain wherein we would benefit by sacrifice of more thousands of highly civilized, very valuable young Canadians for less valuable and very doubtful Christians, with whom we had little or nothing in common. He failed to explain wherein Canadian farmers would benefit by taxing themselves to keep the Dardanelles open to let out the grain and animal products of our greatest competitor—Russia. He failed to explain why his own country—the United States—with full information before it, had positively refused to take the job he wanted us to embark on though they had greater moral obligation to do so."

Mr. Morgenthau and I have several intimate U.S. friends in common and I was glad to find later that all of them agreed with the stand taken in The Financial Post.

Where Bennett Helped

This story would be incomplete without reference to the coincidence that Canada is given credit for a more recent defeat of the great influential British factor in the world narcotic traffic, from which he realizes great profits through the nefarious business of ruining fellow beings morally and physically.

The nations of the world, after long years of negotiation, had at last arrived at an agreement for control of production and sale of narcotics to medicinal users. Canada and Turkey were among the first to sign. We made no sacrifices, but under it the Turks were to abandon great rich farming areas devoted to poppy growing for opium. England and Japan held out. England's refusal meant the abandonment of this great world victory. Only a short time remained.

The story in international circles is that a committee headed by Admiral Richmond P. Hobson decided as a last resort to ask Premier Bennett to put Canadian pressure on England. He did so and the whole British Empire got back of the movement.

With the experience of the past fifteen years, but particularly the Turkish episode before us, is this any time for our political leaders by patriotic appeals to develop prejudices that they may make some party gains that might eventually involve us in war?

Subsequent developments in the Near East under Kemal Pasha are amazing and are but little known to the world. And apparently they are only beginning. Next week we hope to tell our readers something of this work in an article by a member of The Post editorial staff.

Leitch Gold Buys Plant For Sinking

From Our Own Correspondent

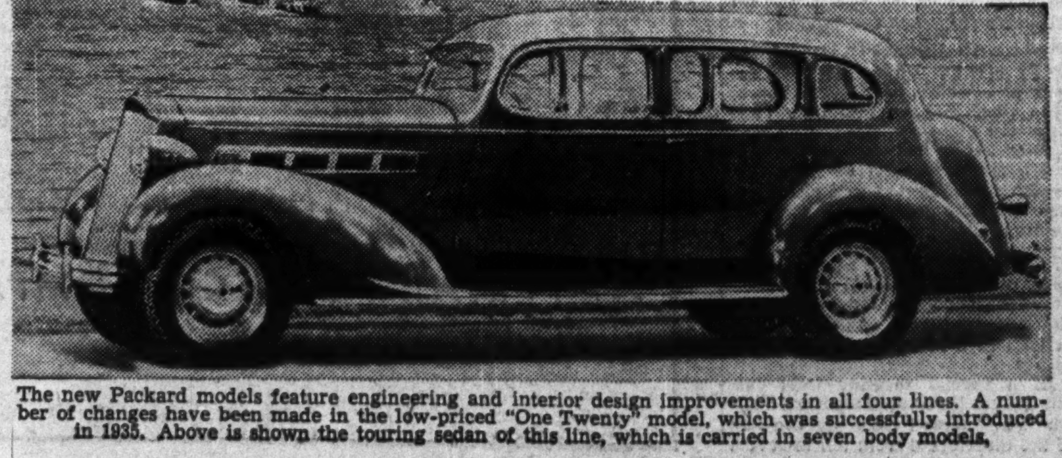
SUDBURY.—According to authentic word in Sudbury, plans for the underground development of the property of Leitch Gold Mines next to the Sand River Gold holdings near Beardmore, have been advanced to the point where a mining plant has been purchased. A portable compressor is already on the ground, so that an early start can be made on sinking, to be followed up by more aggressive work as soon as the necessary buildings are constructed and machinery installed.

In the meantime, it is stated, some additional diamond drilling will be done in order to check some of the information already secured.

To Complete Fishway

Reconstruction of the fishway erected in 1928 to facilitate the movement of salmon to the river above Aroostock Falls, will be completed this fall. Twenty pools are being built to an average depth of four feet, arranged in steps. There will be a complete elimination of falls. The pools are from 15 to 20 feet in length.

1936 Packard Models Announced



The new Packard models feature engineering and interior design improvements in all four lines. A number of changes have been made in the low-priced "One Twenty" model, which was successfully introduced in 1935. Above is shown the touring sedan of this line, which is carried in seven body models.

TAX COLLECTIONS ON INCOMES UP OVER $16 MILLIONS

Toronto and Montreal Lead in Gains for Dominion

Income tax collections for the six months of the fiscal year ended Sept. 30 totalled $63,767,436, a net increase of $16,465,978 in comparison with the same period last year. Toronto and Montreal districts registered the largest gains.

Income tax revenue in September amounted to $2,479,024, an increase of $381,111 compared with Sept. of last year. In the 19 collection districts, two, Quebec and Regina, showed decreases. Quebec's revenue was off $124,490 and Regina's down $3,787.

Districts showing gains for the six months period in 1935 over 1934 are:

	$	$
Toronto	20,339,481	5,881,387
Montreal	19,176,767	4,673,852
London	6,175,801	2,116,420
Hamilton	4,503,054	1,529,503
Ottawa	3,522,809	464,044
Winnipeg	1,593,023	359,215
Calgary	883,210	230,389

Building Head Pays Tribute To G. H. Smith

Some indication of the high measure of esteem in which the late George H. Smith, former vice-president and general manager of the Canada Permanent Mortgage Corporation, was held is given in the following message from Sir Harold Bellman, president of the International Congress of Building Societies. Says Sir Harold: "I formed a very high opinion of his character and capacity, and when visiting Toronto I welcomed the opportunity of discussing with him financial and economic conditions in the Dominion. I always found him a shrewd and well-informed adviser.

"On behalf of the Building Society movement throughout the world, I do desire to tender most profound sympathy on the passing of a notable personality and fine character."

Trust and Loan Company Announces Staff Changes

The Trust & Loan Company of Canada has announced the following staff changes: John Rogers, formerly assistant commissioner and manager of the Winnipeg office, has retired; James Quigley, manager of the Regina office, and A. J. B. Milborne, manager of the Montreal office, have been appointed assistant commissioners.

SEE EUROPE

If you are jaded and bored, Canadian Pacific suggests the picturesque beauty of the English Shires; the exotic allure of Paris; the lush green of the Rhine Valley; the icy peaks of Switzerland . . . preceded by a leisurely cruise down the 1,000 mile St. Lawrence Seaway and a 3 to 4 day dash across the open Atlantic to Europe.

Canadian Pacific Steamships take the St. Lawrence Route which cuts off over one-third of the open sea. Travel comfortably, securely and economically by

Complete information or reservation from your local agent or
J. C. Patteson,
Steamship General Agent, Canadian Pacific Bldg.,
Toronto.

1761

Canadian Pacific

WORLD'S GREATEST TRAVEL SYSTEM

In the Mail

Immigration Policy

Editor, The Financial Post:

In your editorial "Britain Sees Early Solution of Unemployment" you again advocate a "revival of immigration into the British Dominions, including Canada . . ." as a "solution of the British unemployment problem."

You do not, however, say why we should solve Britain's problem at the detriment of Canada.

Why not put some of our own unemployed on homesteads instead of bringing some from overseas.

If you attacked this problem from a Canadian standpoint with the same zeal as you do from the British, you would be doing Canada some good. I was always under the impression that MacLean's were Canadians first and always.

If you publish this letter the same as you did a recent one on the same subject, have the courage to put the whole of it into your columns, or none at all.

I agree with a lot of what you print in The Post; but not with what you write about immigration.

J. E. PAGE.

Port Alfred, Que.

Editor's Note.—1. Mr. Page is wrong in his premises. The Financial Post has never advocated immigration as a solution of Britain's unemployment problem. But it feels that we must give consideration to immigration as a possible solvent of some of our own problems.

2. The Financial Post has advocated a government-aided "Back-to-the-Land" movement for those who have the necessary experience to make good on the land. It has also supported the Dominion government's efforts in this regard. The proposal made by this reader for "putting some of our own unemployed on homesteads" has been actively under way for some years and nearly 100,000 have been so placed.

3. The Financial Post receives many letters from readers which we are dared or challenged to publish. Whether they carry criticism or praise The Post itself reserves the privilege of deciding what letters or other material are sufficiently interesting, accurate or informative to warrant publication. It throws in the waste paper basket many letters which, for instance, base a criticism of The Post or some other institution upon a complete misreading of statements in its columns.

The Financial Post invites its readers to make this paper an open forum for their views but insists on accuracy, brevity, clarity and good temper in the letters it publishes.

Wayside Consolidated Gold Mines—Toronto Stock Exchange has been advised that this company has entered into an option agreement on 160,000 treasury shares in the following blocks: 10,000 shares at 15 cents for cash; 40,000 shares at 15 cents to be taken up by October 15; 70,000 shares at 17½ cents by November 15; 30,000 at 17½ cents by Jan. 31 and 10,000 at 20 cents by Feb. 15, 1936.

WARNING!

As the sales for this 1935 edition have been much heavier than anticipated, we urge you to send in your order immediately. Avoid disappointment when interest in industrial stocks increases this Fall.

THE FINANCIAL POST
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1935

The Financial Post SURVEY OF CORPORATE SECURITIES, 1935 Edition covers over 1,500 corporations whose securities are in the hands of the public, including those listed on Canadian Stock and Curb Exchanges and many unlisted securities.

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Names of all officers and directors;
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Price range of stock for past 4 years;
Dividend rate, when and where payable;
Capital structure and funded debt;
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Company Earnings

Inter. Paper & Power

International Paper and Power Co.'s consolidated profit and loss statement for the second quarter of 1935 shows an increase in sales and other income with a net loss for the period at $865,414 as compared with $936,748 for the same period in 1934. Tonnage deliveries of pulp and paper during each month in the second quarter ran consistently ahead of the corresponding months of 1934. This improvement was, however, offset in large part by the net increase in expenses and deductions.

For the first half of 1935 the consolidated statement of International shows sales and other income of $45.9 millions, as against $42.2 millions a year ago. After providing for all charges, including accrued dividends not being currently paid on the preferred stock of subsidiaries, there was a net loss of $1.9 millions, as against $2.2 millions in the first half of 1934.

Further reductions were made during the second quarter of this year in outstanding funded debt of subsidiaries, the consolidated balance sheet at June 30, 1935, showing a net reduction of $1,082,778 in this item as compared with December 31, 1934. This was accomplished without impairment of working capital position.

Income Account
Quarter Ended June 30

	1935	1934
	$	$
Gross income	23,826,825	......
Expenses	21,427,915	......
Net earnings	2,378,910	2,450,118
Less: Debt interest	960,253	1,016,576
Other interest	224,348	226,812
Amort. of discount	97,233	104,753
Depreciation	1,330,675	1,316,652
Depletion	211,135	176,506
Bad debt reserve	186,493	254,218
Income tax	66,815	100,000
Accrued dividends	167,374	191,350
Net loss	865,415	936,749

Half Year Ended June 30

	1935	1934
	$	$
Gross income	46,601,997	......
Expenses	42,030,907	......
Net earnings	4,571,090	4,453,061
Less: Debt interest	1,963,843	2,038,631
Other interest	451,095	477,184
Amort. of discount	194,465	216,707
Depreciation	2,647,017	2,556,681
Depletion	398,471	350,637
Bad debt reserve	343,409	489,879
Income tax	162,783	100,000
Accrued dividends	344,424	378,613
Net loss	1,934,410	2,155,291

Westminster Paper Co.

From Our Own Correspondent

Due to reduction in prices during the past year, the earnings of Westminster Paper Co., New Westminster, showed a decline for the first time since 1931. Net profit for 1934 amounted to $12,968 after payment of bond interest, depreciation and income taxes. The net profit had been $25,687 the previous year.

"Conditions are very unsettled at the present time and it is difficult to predict what is in store for us," said H. H. Herb, president of the company. "In my opinion, however, the obstacles confronting us at present will gradually eradicate themselves and we hope the present year will show an improvement."

The company maintained its dividend policy this year paying four per cent on common. It was necessary to draw on surplus account to the extent of $6,148, as payment of dividends requires $19,116.

The company's balance sheet shows improvement of $5,723 in working capital, net current assets amounting to $122,570 as against $115,847. Inventories are higher at $113,226, as against $92,935. Capital assets are given as $629,771 as compared with $654,914. The sinking funds were increased from $29,545 to $42,002.

Income and Surplus Account
Years Ended July 31

	1935	1934
	$	$
Net sales	558,845	569,798
Cost of sales	398,291	393,125
Discs. & allows.	16,237	19,261
Gross earnings	144,317	157,412
Interest rec'd.‡	6,175	6,175
	150,492	163,587
Selling & ad. exps.	75,284	72,100
Net earnings	75,28	91,487
Deprec.	36,180	35,311
Bond interest	†17,489	17,969
Inc. tax res.	†8,571	12,500
Net profit	12,968	25,687
Dividend	19,116	19,116
Surplus for period	*6,148	6,571
Prev. surplus	30,088	23,517
Bal. forward	23,940	30,088

‡Interest on $100,000 6½% 1st mortgage bonds of Pacific Coast Paper Co., Bellingham, Wash. *Loss.

†Total of bond interest paid and income tax reserve is $26,060. The division between the two is an estimate pending receipt of financial statement. Other figures were taken by Vancouver correspondent of The Financial Post from financial statement.

Industrial Acceptance

Net income of Industrial Acceptance Corp. for the first six months of 1935 was $104,001 as against $51,880 for the same period last year. After providing for debenture interest, the balance was equivalent to $1.28 a share on the class A stock. Earnings for the full year are now estimated by the management to be in excess of $2 a share.

At the end of last July, an interim balance sheet shows assets totalling $8 millions, of which acceptances and notes receivable totalled $7.2 millions. Bank loans totalled just over $5 millions.

Six Months Ended June 30

	1935	1934
Gross income	$104,001	$51,880
Debenture interest	27,015	27,859
Net income	$76,986	$24,021
Percentage of past dues	1.70%	2.46%

St. Lawrence Flour

Net profits of St. Lawrence Flour Mills Co., available for common dividends amounted to $2.91 a share for the year ended August 31, 1935. This is in contrast to $4.19 a share during the preceding 12 months. The report shows net operating profits at $162,064, as against $146,135, during 1934. The income statement shows an increase in the directors' fees from $3,000 to $5,000, while officers' remuneration is shown at $30,500. This is the first time this item has appeared in the company report and is in compliance with the change in the Company Act. With the inclusion of the payment to officers, net profits were reduced from $90,579 to 75,213.

An improvement in balance position is shown, with net working capital of $418,066, against 362,142 at the end of the preceding fiscal year. A feature of the balance sheet is the elimination of bank loans, which totalled $122,092, at the end of the preceding period.

Income & Surplus Account
Years Ended Sept. 1

	1935	1934
	$	$
Net oper. profit	162,064	146,135
Deduct:		
Directors' fees	5,000	3,000
Officers' remun.	30,500	......
Bond interest	3,111	3,857
Legal fees	912	......
Bond premium	25	225
Depreciation	31,968	34,706
Income tax	15,332	13,768
Net profit	75,213	90,579
Pfd. dividends	40,250	40,250
Balance	34,963	50,329
Common dividends	24,000	8,000
Surplus	10,963	32,329
*Prev. surplus	426,939	395,471
P. & L. balance	437,902	427,800

*After income tax adjustment.

Working Capital

	1935	1934
	$	$
Current assets	529,135	521,647
Current liabs.	111,069	159,505
Working capital	418,066	362,142

Candn. Investment Fund

Canadian Investment Fund reports income during the first half of 1935 at $65,842. Comparative figures for the corresponding period of 1934 are not available. The balance sheet shows assets totalling $2.9 millions, of which $2.4 millions have been invested in stocks, bonds, etc.

The market value of investments at the end of June was $2.6 millions.

As of Sept. 30, the company's investments were apportioned as follows: common stocks, 93.37 per cent; preferred stock, 5.05 per cent; and bonds, 1.58 per cent.

Six Months Ended June, 1935

	$
Income	65,842
Less expenses	5,165
Net income	60,677
Brought forward	30,252
Sub. to capital stock	5,489
Total net income	96,418
Less: Adjustment on shares	987
Special share divd.	54,499
Ordinary share divd.	70
Balance	40,862

DIVIDEND NOTICES

The Steel Company of Canada, Limited

Preference Dividend No. 97

NOTICE is hereby given that a dividend of forty-three and three-quarters cents (43¾c) on the new Preference Shares of the Company has been declared for the quarter ending September 30th, 1935, payable November 1st, 1935, to shareholders of record at the close of business October 7th, 1935.

By Order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Ontario, September 25th, 1935.

The Steel Company of Canada, Limited

Ordinary Dividend No. 75

NOTICE is hereby given that a dividend of forty-three and three-quarters cents (43¾c) on the new Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1935, payable November 1st, 1935, to shareholders of record at the close of business October 7th, 1935.

By Order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Ontario, September 25th, 1935.

Dividend Notice

Kirkland Lake Gold Mining Company, Limited

(No Personal Liability)

NOTICE is hereby given that an interim dividend of Three Cents (3c) per share on the outstanding capital stock of the Company has been declared by the Directors of the Company, payable November 1st, 1935, to shareholders of record at the close of business on October 15th, 1935. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

Shareholders are particularly requested to see that certificates held by them are properly registered on the books of the Company. As mentioned above, the dividend is payable to Shareholders of record on October 15th, 1935. Transfer agents are the Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ontario.

By Order of the Board,
R. GRAHAM,
Secretary.
Toronto, September 27th, 1935.

MACASSA MINES

LIMITED
(No Personal Liability)
DIVIDEND NO. 4

NOTICE IS HEREBY GIVEN that a dividend of Five Cents per share, on the issued capital stock of the Company, will be paid on November 1st, 1935, to shareholders of record October 15th, 1935.

The Canadian five per cent. tax will be deducted from dividends payable to non-residents of Canada.

By Order of the Board,
L. SOLIAGUE,
Secretary.
Toronto, September 28th, 1935.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1935.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1935.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1935.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, September 30, 1935.

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¾% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1935, to Stockholders of record as of the 21st day of October, 1935.

Also a quarterly Dividend of Fifteen (15c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1935. Payable the 1st day of November, 1935, to Stockholders of record as of the 21st day of October, 1935.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.,
September 27th, 1935.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1935, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Saturday, the 5th day of October, 1935, at 12 o'clock noon, and payable on Tuesday, the 15th day of October, 1935.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Monday, September 30th, 1935.

Wheat

From Our Own Correspondent

The Market

WINNIPEG.—All wheat markets showed a stronger tendency at the opening of the week. The start of the October delivery month indicated a sound technical position of the market. There were no deliveries on the contract at Liverpool, and the deliveries at Winnipeg were small. None of these, it is believed, were absorbed by the government agency, the futures commitments of that body having been transferred a few days earlier to later delivery months. Country deliveries in western Canada have commenced to assume fairly large proportions with a fairly small percentage being sold and consequently limited pressure on the market. A considerable volume of country deliveries are of the grades on which the wheat board price is higher than current market valuations. Consequently these are being entirely consigned to the board, together with a limited volume of higher grades, on which farmers could do slightly better on the open market.

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Speculative Interest

SPECULATIVE interest in the market would be stronger and would probably force prices higher except for the alarmingly low rate at which world shipments of wheat continue, and the failure of a more active demand to materialize for Canadian wheat for immediate shipment overseas. Buyers are apparently drawing on home supplies before resorting heavily to imports. Liverpool is showing tendency to believe that the outcome of the Australian crop may be better than was indicated by the extremely pessimistic reports of a few weeks ago.

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Drought Continues

THE reason given for the last week's wheat decline is the manipulation of Argentine prices by large interests, states R. D. Colquette, of the Country Guide, Winnipeg. Certainly the wheat position of the world has not been weakened by any reports forthcoming. The drought continues unabated in Argentine and is the worst in her history. Little rain has fallen in the last three months. Indications are that her crop will little more than meet her domestic requirements and her Brazilian market. The U. S. Department of Agriculture estimates the world stocks will show a reduction of 330,000,000 bushels below last year and that Canada will be in the dominating position.

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Feed Wheat

DISPOSAL of this year's production of feed wheat is a matter of uncertainty. Although this, by definition, is wheat too poor to be useful for milling, grain so defined has on more than one occasion, been used for making low grade flour. But much of this year's wheat is put into the feed grade because it is light in weight. It has been shrunken by rust to little more than a husk of bran. There is little flour content worth saving. Out of northern Alberta and Saskatchewan there may later come some heavier weight feed wheat, damaged by frost instead of by rust.

The total quantity of feed wheat produced by the western crop is large but how much of it will be actually threshed and sold is highly uncertain. A considerable number of uncut acres have been abandoned. Others have been given up after cutting, because the total yield is too small to pay harvesting and threshing expenses. Normally the proper use of much wheat of the feed grade is as feed for poultry and livestock on the farms where it is grown. In recent years it would have been highly valued for this purpose, but this year feed of other kinds is generally plentiful, and farmers will desire to sell as much as possible. But just what export outlet can be found is uncertain.

Before the wheat board fixed its minimum price for feed wheat at 50 cents a bushel there was talk in Alberta and Saskatchewan of asking the government to give a special bonus on feed wheat. Behind this idea was apparently a desire that the Wheat Board should not fix a price so high on feed wheat as to incur a loss to be paid by the higher grades. The price actually set is not far above the average of values so far prevailing and market prices have at times been slightly higher. Difficulty is anticipated, however, in maintaining the present price when larger quantities commence to make their appearance in terminals at the head of the lakes.

New Comptroller

J. CLEUGH

Former chief accountant of the Bell Telephone Co., who has been appointed comptroller of the company, with headquarters in Montreal.

U. S. Millers Get Wheat From Canada Under Bond

From Our Own Correspondent

WINNIPEG, Man.—A recent official estimate from the United States Department of Agriculture placed the total expected use of Canadian wheat by U. S. millers at 35 million bushels, with duty paid withdrawals to date of 4,000,000 bushels. Some United States commentators repeat earlier estimates of 50,000,000 to 75,000,000 bushels, and suggest that the authorities are moved by political considerations in making the smaller estimate.

A theoretical requirement of 75,000,000 bushels of hard spring wheat from Canada is not hard to calculate from the deficiency of high-grade spring milling wheat in the Northwestern States, as compared with the country's usual consumption of such wheat. But the price situation makes flour made from softer wheats very much cheaper, and millers are selling much more lower grade flour than usual.

Undoubtedly United States millers now have large quantities of Canadian wheat under their control, and are prepared to pay duty of 42 cents a bushel on it if they can sell to advantage the flour made from it. But they have also been careful not to commit themselves too far, and they are holding such wheat in a position where it can be resold for export overseas, or milled in bond for export.

Farm Factors

Cheese Piles Up

CANADIAN cheese holdings in Canadian cold storage of over 21 million pounds this month represent an advance of almost 1.5 million pounds over holdings of a year ago. The increase may be attributed to two factors. Of first importance is the improved feed situation in eastern Canada where practically all Canadian cheese is produced, whereas in 1934 pastures were suffering from drought and the feed outlook was to say the least uncertain. This summer found grass everywhere abundant up to mid-August at least and the promise of very heavy supplies of hay and other fodder for the coming winter. Under such conditions, naturally the output of the cheese factories of eastern Ontario and western Quebec was bound to show an improvement over the previous year.

Of secondary importance in the period so far reported was the announcement some time ago by Ottawa that one million dollars would be set aside to stabilize the dairy situation through subsidizing cheese prices. This scheme came into force the first of this month but its influence of course, would have been felt somewhat earlier. Undoubtedly the announcement of Ottawa to stabilize cheese prices would have a favorable effect on the producing end of the industry, at least until it was demonstrated whether the scheme could be successfully carried out.

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Basis of Plan

THE plan, of course, is to hold cheese prices at a profitable level so that milk will not be diverted from the cheese districts to other uses. The cheese industry, being largely on an exportable basis, cannot be helped by tariff and prices are based on values prevailing in Great Britain. On the other hand, butter producers have benefitted by a stiff tariff which has resulted in recent years in keeping the domestic price substantially above the world level.

Such a price has diverted large quantities of milk from the cheese factories into the butter producing sections and in usually creating a wide spread in the prices received by cheese producers and butter producers when both have been translated to a milk basis. Cheese exports in the last 10 years have fallen off considerably. In order to protect the butter producers and give them the benefit of the present tariff and also to divert the flow of surplus milk to the fluid milk consuming districts such as the large cities, the federal authorities devised the present stabilization scheme.

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Success Not Yet Proved

IT REMAINS to be seen, however, just how far this scheme can be successfully carried out. It is conceivable that cheese production might increase very quickly under stabilized profitable prices, so much so in fact that the British market could not absorb the increase and there might be a very wide discrepancy between the prices paid in Great Britain and what the cheese board under the Dominion Marketing Act here might decide would be a profitable level.

In such a case the $1 million voted by Ottawa might prove insufficient to maintain the stabilized price decided upon and a repetition of the government's experience with wheat might follow. If official cheese prices were allowed to recede, on the other hand, to something like world prices the rush into butter production might continue, with the result that this might become too large for the domestic demand to cope with. That branch of the dairy industry would then revert to an exportable basis with world prices ruling.

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Butter Plan

APPARENTLY sensing some development of this nature, the Dominion Department of Agriculture recently launched a supplementary scheme covering butter. Under the impetus of relatively high domestic prices, production has been increasing for some years and recently has threatened seriously to go beyond domestic consumption. The new cheese plan has not yet switched a great deal of milk production from cheese into butter and so, apparently, Ottawa has devised additional machinery for lifting certain quantities of butter off local markets. The new plant is launched with the explanation that it will facilitate export of butter to the United Kingdom where "it appears a favorable market exists."

Like the cheese plan, this action is designed to relieve the butter market in Canada and strengthen the price of milk generally. Producers will probably be advised to export certain specific amounts of butter and there may be provision for compensation from any loss suffered. Such compensation would likely be raised by a levy in the industry.

The scheme will be administered by a board consisting of J. F. Singleton, Dairy Commissioner for Canada; L. D. Wilgress, of the Commercial Intelligence Service and A. C. Fraser, secretary of the National Dairy Council.

The next 12 months will probably witness the success or failure of either of the present stabilization schemes.

Sixth Price Reduction Made in Cellophane

Further reduction in the price of Cellophane cellulose film is announced by Canadian Industries, Ltd.

The price reduction is the sixth to be announced since manufacture was commenced in Canada in 1932. It is expected that with the new low prices the use of Cellophane will be greatly extended. It is effective immediately.

Lamb Feeding Scheme

The Department of Agriculture at Ottawa advises that it has brought into effect for the third successive year its lamb feeding project under which western sheep raisers send lambs east to be fattened during the winter. Officials are locating farmers in Eastern Canada who have ample shed accommodation, plenty of feed and water who wish to fatten lambs. Almost 7,000 lambs were fattened in Ontario alone under this plan in 1934, the best feeders making gains as high as 47 pounds per lamb.

Wheat Prices

(Cash Quotations)

	Aver. for week Sept. 27	Previous week
	$	$
At Winnipeg:		
No. 1 Man. Hard	0.945	0.903
No. 1 Northern	0.942	0.899
No. 2 Northern	0.910	0.869
No. 3 Northern	0.871	0.837
No. 4 Northern	0.829	0.779
No. 5 Wheat	0.744	0.680
No. 6 Wheat	0.656	0.658
Feed Wheat	0.497	0.510
At Vancouver:		
No. 1 Northern	0.914	0.875
At Toronto:		
Milling Wheat*	0.600	0.630

Competitive Export Prices: (September) shipment:

	High Week to Sept. 27	Low
	$	$
No. 1 North. (Vanc.)	unquoted	
No. 2 North (Atlan.)	1.06⅞	1.02½
No. 2 North. (Vanc.)	unquoted	
Argentine Rosafe	0.96¾	0.93¼
Do., Barusso	0.93⅝	0.89¾
West Australian	0.96	0.90⅞
French	unquoted	
Russian	0.97½	0.91⅝

*New crop.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Sept. 27)	54,602,000	50,698,000	60,599,000
Country elevators (Sept. 27)	63,803,000	56,007,000	85,202,000
Total (all points) (Sept. 27)	118,405,000	106,705,000	145,801,000
World Shipm'ts. (incl. flour), (wk. Sept. 23)			
North American	3,569,000	2,633,000	3,936,000
Argentine	2,555,000	3,433,000	3,216,000
Australian	2,383,000	1,556,000	1,472,000
Others	1,274,000	1,776,000	816,000
Total (world)	9,781,000	9,398,000	9,440,000
Country Marketings and Exports:†			
Canadian exports (Sept. 27)	3,256,000	2,916,000	......
Cum. to Sept. 27 (8 weeks)	17,377,000	14,121,000	......
Country marketings (Sept. 13)	17,741,000	14,171,000	22,565,000
Cum. to Sept. 13 (6 weeks)	43,094,000	24,353,000	69,766,000
Country deliveries (Sept. 27)	85,235,000	65,429,000	88,221,000
Country loadings (Sept. 27)	61,345,000	48,167,000	87,120,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Oct. 1, 1935

Crop year from Aug. 1, 1935 High	Low		Open Sept. 25	High for week	Low for week	Close Oct. 1
		Wheat				
.95⅝	.82⅝	Oct.	.93⅝	.93⅝	.89	.92¾
.96¼	.82⅝	Dec.	.93⅝	.93⅞	.89⅝	.93¼
1.00	.85⅝	May	.97½	.97⅞	.93⅝	.97
.93⅝	.90⅝	Nov.	.90⅝	.93⅝	.90⅝	.93⅝
		Oats				
.35½	.30⅝	Oct.	.31¾	.32⅝	.30⅝	.31⅛
.33⅛	.28½	Dec.	.30½	.31⅝	.28⅛	.31⅛
.34½	.32⅝	May	.31¼	.34½	.32⅝	.33⅛
		Barley				
.39⅛	.32⅛	Oct.	.36¾	.37⅛	.34⅛	.35¾
.39½	.32¾	Dec.	.30½	.37⅝	.35¾	.36⅝
.42½	.36¾	May	.40⅛	.40⅝	.36⅛	.39⅝
		Flax				
1.47⅝	1.21¼	Oct.	1.46¾	1.47⅝	1.40	1.42⅝
1.48⅝	1.19¾	Dec.	1.46	1.48⅝	1.42	1.44
1.53	1.33	May	1.53	1.53	1.46⅛	1.49
1.45¾	1.39	Nov.	1.45¾	1.45¾	1.40½	1.43
		Rye				
.45⅝	.36¾	Oct.	.43½	.44	.40¾	.42¾
.46⅝	.38⅛	Dec.	.45⅛	.45½	.42¼	.44½
.50⅛	.44⅝	May	.48⅝	.49	.45⅝	.46⅛

FARMERS READY TO USE OPEN MART FOR HIGHER PRICE

Wheat Growers After Extra Return Over Board Quotation

From Our Own Correspondent

WINNIPEG. — During last week the Canadian Wheat Board has been actively engaged in handling deliveries, including not only wheat daily coming into country elevators, but also that stored up by farmers for delivery to the Board during its organization period.

It is still too early to form an opinion on the patronage to be given to the Board when farmers are able to sell wheat on the open market at pricer higher than the minimum prices fixed by the Board. Any farmer accepting from the Board less than the open market price is really speculating as to the ultimate value of the participation certificate he gets at the time of sale. This entitles him to a share in the profits, if any, realized by the Board on its year's operations.

Not Ready For Risk

So far as can be judged from available indications most farmers are not ready to risk much in that direction. They are inclined to use the open market when prices are more than a cent above Board prices. There are some farmers who are so keen on the idea of government marketing that their wheat will go to the Board at least at the beginning of the season, no matter what the prevailing price differential may be, but these appear to be few.

Deliveries on Price Basis

Without either propaganda or contracts to support its volume of business, deliveries to the wheat Board will be based, to some small and probably unimportant extent, on sentiment but almost altogether on price. The Board has been getting all the durum wheat delivered, as its prices on durums are above what the market has been paying. It has been getting a considerable portion of No. 3 wheat, of special grades 4, 5 and 6, and of feed wheat, on which its prices have been about equal to, or only fractionally below market prices. But farmers with other grades to sell, on which they could do better than Board prices by two to seven cents a bushel, have been inclined either to open market selling or to storing their grain to await future developments.

EXPECT LARGER TREE FRUIT CROP IN 1935 SEASON

Peach Yield Much Heavier — More Apples Predicted

Canada's tree fruit crop will be slightly higher this year according to the preliminary estimates of the Dominion Bureau of Statistics. The total apple yield is expected to be slightly over 4 million barrels as compared with 3.9 millions a year ago. The peach crop is very much heavier, plums slightly so but pears will run a little behind 1934.

Speaking generally, quality is expected to be superior to 1934. The late fruit appears to be sizing well and is generally free from insects or scab damage. It is not yet too late for some damage from early October storms or frost to apple orchards, especially in eastern Canada. In Nova Scotia the apple crop is expected to be almost identical with that of 1934 but is considerably higher in the less important apple producing districts in New Brunswick and Quebec. The Ontario crop is up substantially as are also those of peaches, plums and pears. In British Columbia, there is little change from a year ago.

Details of this year's estimate and last year's final yields are as follows:

Canada's Fruit Crops

	1935	1934
	(bushels)	
Pears	312,000	344,000
Plums	196,163	187,000
Peaches	714,933	407,000
Apricots	40,767	75,900

Apples

	1935	1934
	(barrels)	
Nova Scotia	1,800,000	1,800,000
New Brunswick	35,000	30,000
Quebec	150,000	121,000
Ontario	426,000	320,610
British Columbia	1,658,400	1,619,000
Canada	4,069,400	3,891,000

Confectionery in Manitoba

A federal report on the Biscuit, Confectionery, Cocoa and Chocolate Industries in Canada shows that the Province of Manitoba had 21 firms last year. These firms were capitalized at $2,168,263.

BUYING AGENTS DISCUSS PROBLEMS AT MONTREAL MEET

Canadian Group Holds First Conclave in Five Years

For the first time in five years, members of the fraternity of Canadian purchasing agents held conclave in Montreal last week. The occasion was a convention sponsored by the Council of the Canadian Purchasing Agents' Associations. It embraced representatives from Montreal, Toronto, Hamilton and Winnipeg, about 200 in all. Montreal Association of Purchasing Agents acted as hosts.

Under discussion at the first session (Sept. 27) was: "Lumber and its gradings" (A. H. Paradis); Contracts and tenders" (O. S. Tyndale, K.C.); "Bank of Canada," Donald M. Marvin, economist, Royal Bank of Canada.—See page 11 this issue.

Aids to Purchasing

Julian G. Davies, of N. Slater Co., Hamilton, talked shop to the members; analyzed the factors that made for intelligent purchasing. He expressed the belief that "strikes will be much more numerous and would exert a greater influence on prices during the next five years than has been the case for a long time." He urged also that purchasers watch carefully "new products or variations of old ones" as a means of reducing production costs and warned against the threat of currency inflation as affecting prices in the future. He suggested that purchasing agents equip themselves for greater usefulness by eliminating as largely as possible masses of detail and "concentrating largely on a study of business conditions in general and a few commodities in particular."

Other speakers included F. E. Lathe, of the National Research Council, Ottawa; L. C. Thomson, C.N.R., who reported that in 1934 his road realized $2,250,000 by recovering scrap; C. R. Hazen, vice-pres. Milton Hersey Co., who discussed "Specifications"; G. A. Renard, executive official, National Association of Purchasing Agents, New York.

At the final meeting on Saturday, Sept. 28, W. S. Morden, president of the C.M.A., discussed the importance of industry to the national economy; stressed that it could not be replaced by imports without harm to the 25 per cent of the population which looked to it for a livelihood.

At a meeting of the Council, J. G. Broderick, of the Otis-Fensom Elevator Co., was elected chairman of the Canadian body to succeed Fred J. Lucas, who last May was elected president of the National Association of Purchasing Agents, embracing both Canadian and U. S. membership.

Women's Apparel Sales

Sales of women's apparel and accessories in the Prairie Provinces exceed $38,000,000 annually and represent 19.5 of the Canadian total. Sales of men's and boys' clothing and furnishings in this area exceed $20,000,000 or 20.7 of the Canadian total.

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News of Canadian Mining Investments

The Week in Mining

Lamaque Shows Promise

PRODUCTION and development results at Lamaque Gold Mines, promising young subsidiary of Teck-Hughes Gold Mines, indicate that the Kirkland Lake veteran appears to have made a good investment in this Quebec property. While details as to costs are not available an average recovery of $11.91 per ton indicates that excellent profits are being earned. Profits from its investment in Lamaque should help to offset declining earnings of Teck-Hughes from production at its Kirkland Lake property.

Teck-Hughes is to be congratulated on the rapid and excellent progress made since Lamaque was formed in January, 1933. Since April 9 last one half of the first 500-ton mill unit has been in operation. To the end of August bullion to the value of $442,000 had been produced. It is expected that a daily mill capacity of 500 tons will be reached by the end of November.

An encouraging feature of development at Lamaque has been the rapid and steady increase in ore reserves since underground development commenced. During the three months ended August 31 last a total of 85,838 tons of new ore was opened up. As at August 31 ore reserves stood at 238,547 tons, sufficient for 16 months operations on a 500-ton daily tonnage basis.

* * *

Volume of Trading Higher

VOLUME and value of sales of mining shares on the Toronto Stock Exchange in September showed an increase over the previous month. Total volume was 11,963,848 shares as compared with 10,217,522 shares in August, while values of transactions were correspondingly higher at $8,991,002

The mining section of the exchange opened the month in good volume, although the list was highly selective. Junior golds were in the lead with Macassa, Central Patricia and God's Lake as the features. Senior golds felt the buoyancy, helped by an increase in bullion above the $35 mark, and for a time property developments and production figures relegated war and election news to a minor position.

In the second half of the month the critical European situation attained dominance of the market and superseded local deveopments. On this basis copper advanced sharply and the whole of the base metal group became responsive, several new highs for the year or longer being recorded. Conversely, outside events induced profit taking in the golds, although the juniors retained a certain amount of selectivity.

Toward the end of the month the market became increasingly subject to foreign news and the whole mining board developed nervousness. Volume slowed down and the price ranges were restricted to small variations that persisted to the close of the period.

* * *

Kirkland Lake Gold's Second

KIRKLAND LAKE GOLD MINES, 17-year-old producer, has come across with another pleasant surprise to shareholders, in the form of a three-cent dividend, payable Nov. 1. This is the second such payment to be made by this veteran concern, the last dividend, of similar amount, being paid Dec. 1, 1934.

While it is still several months before this company's fiscal year ends, indications from the property are that, when the income and surplus account for the year ended Dec. 31, 1935, comes to be drafted, it will be found that the company has earned its dividend a little more comfortably than it did last year. It will be remembered that last fiscal year earnings amounted to $0.031 cents per share, $0.03 being paid in dividends per share.

However, for the first six months this year, the mill has treated a higher grade of ore, recovery per ton averaging $6.59, at standard gold prices, as compared with an average recovery per ton of $6.49 per ton in 1934. The average daily tonnage treated is also slightly higher this year.

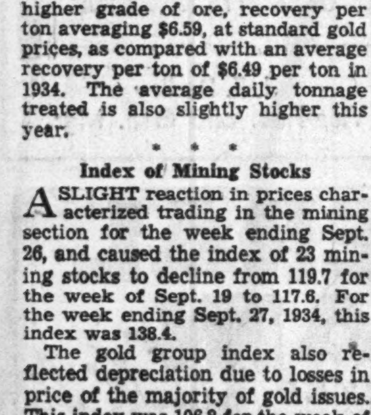
* * *

Index of Mining Stocks

A SLIGHT reaction in prices characterized trading in the mining section for the week ending Sept. 26, and caused the index of 23 mining stocks to decline from 119.7 for the week of Sept. 19 to 117.6. For the week ending Sept. 27, 1934, this index was 138.4.

The gold group index also reflected depreciation due to losses in price of the majority of gold issues. This index was 106.8 for the week of Sept. 26, as compared with 109.4 for the week of Sept. 19. For the same interval, in 1934, the index recorded was 136.5.

A fractional loss of 0.3 points was registered in base metals, the index being 162.1 for the week of Sept. 26, as compared with 162.4 for the week of Sept. 19. For the corresponding week last year this index was 151.5.



Metal Prices

New York—Oct. 1—
Copper: Electrolytic spot and future, $9.00.
Silver: 65¾c.
London—Oct. 1—
(Long Ton)—
Copper: Electrolytic spot, £39 10s.; future, £40. Standard spot, £35 2s. 6d.; future, £35 7s. 6d.
Tin: Spot, £229 10s.; future, £218 10s.
Lead: Spot, £17 7s. 6d.; future, £17 7s. 6d.
Zinc: Spot, £16 2s. 6d.; future, £16 7s. 6d.
Gold: 141s. 7½d.
Silver: 29¾d.
Canada—Oct. 1—
Gold: $35.43.

W.-HARGREAVES SHOULD EQUAL 1934 EARNINGS

Net Profit of 70 Cents Indicated in Pre-report Estimate

Profits of Wright-Hargreaves Mines for the year ended Aug. 31 last will be about the same as in the 1934 fiscal period when 70 cents a share was earned, The Financial Post estimates. Although no official statement has been issued, a net profit of this amount is indicated by production for the year and earnings in the first six months. The annual report is at present in the course of preparation and will be in the hands of shareholders in the near future.

Production figures issued by the company and by the Ontario Department of Mines indicate that output for the fiscal period ended Aug. 31, 1935, was slightly higher than in the year ended Aug. 31, 1934. This increase has been offset, however, by increased taxation to the Dominion bullion levy. Bullion tax in the first six months of the fiscal year amounted to $347,440.

In the six months ended Feb. 28, 1935, the company reported a net profit of 36.6 cents per share before depreciation and surplus adjustments. It is expected that the annual report will show improvement over this figure for the second half of the fiscal period. Abolition of the bullion tax at May 31 has been a helpful factor, profits in the last quarter showing an increase over the previous three months.

On the basis of earnings in the first half of the year and making ample allowance for depreciation and surplus adjustments a net profit of about 70 cents per share is indicated.

COLONY OIL ORDERS THIRD WELL IN FIELD

Drive for Position Leads Company to Expand at Lloydminster

From Our Own Correspondent

REGINA.—The drive for position in the natural gas distribution field has led the Colony Oil and Gas Company to order a third well in the Lloydminster field. No. 1 well is about two miles south of the original Lloydminster well. No. 2 well is one mile further south and the No. 3 well will be one mile east of No. 2.

The Lloydminster Gas and Oil Company has been providing the town of Lloydminster with gas for more than a year with an 18,000,000 cubic ft. per day flow. It is also boring a second well.

Largest Producer

Colony's well No. 2 blew in Sept. 12 at about 1,400 ft. The No. 1 well is described as the largest producer in Western Canada at 42,600,000 cubic ft. per day.

Present indications are that four companies will be hastening efforts this winter toward obtaining franchises from Moose Jaw, Regina, Saskatoon and intermediate points. They are The Dominion Gas and Electric Co., in Alberta, the Lloydminster Gas and Oil Co., the Colony Gas and Oil Co., and the Regina Co., supplying from the Bowdoin field in Montana.

The Alberta company has conducted a geological survey of Saskatchewan over a period of years and the result of that survey made Lloydminster the only likely producing field worth their consideration.

Competition Seen Keen

Both Saskatchewan and Regina are expecting keen competition this winter in the battle for the franchise. Regina has had experience in the past with gas franchise preliminaries so will be ready for developments as they arise. There is talk of the Lloydminster company's approaching this city shortly, but there are indications that other companies have not been letting grass grow under foot where Regina is concerned.

Current Chatter from B. C.

From Our Own Correspondent

VANCOUVER.—A new strike on the No. 3 level of Ymir Consolidated Gold Mines' Goodenough property, regarded by the management as the most important of recent developments, may result in enlargement of the company's mill. This would give the mill a capacity of 300 tons daily.

President R. C. McCorkell says the company is contemplating purchase of an additional ball mill, classified and flotation cell unit. No other installation would be necessary to give the mill 100 tons additional capacity.

* * *

Mak Siccar Strikes Rich Vein

Mak Siccar Gold Mines report uncovering a small vein giving exceptionally high gold values on entering the crosscut on the No. 3 level, 3,800 ft. elevation. Free gold and tellurium are said to be plainly visible in specimens sent to the Vancouver office. The vein was a foot wide. This and other recent discoveries may have an important effect on future developments at the mine.

* * *

Reno's Progress

Progress of Reno Gold Mines is summarized in a report just issued, which points out that net profits for the year were $234,591 as compared with $52,731 for the previous 12 months. This amounts to 12.84 cents a share after all charges.

Gross recovery for the year 1934-35 totalled $700,509, as compared with $419,372 the previous year. Costs were $339,876. The net, after allowing for various expenses, depletion, depreciation and taxes was $353,340. Working capital, after all charges are deducted, totals $53,162, as compared with $46,603 the previous year. Gross production per ton was $20.38 for the year, providing a net profit of $8.35.

Blocked and reasonably probable ore reserves are stated to be 62,479 tons as compared with 43,958 tons in 1934. The report in all its figures refers to the period ending June 30, 1935.

Base Metals Hit Stride

Canada's Four Major Producers, Noranda, Inter. Nickel, Hudson Bay and Smelters Have Big Stake in Cent by Cent Price Rise

With base metal prices in the ascendant, higher earnings are indicated for Canada's base metal producers in the current year. Thus, it is hoped, ends one of the bleakest five-year periods in the history of this section of the mining industry.

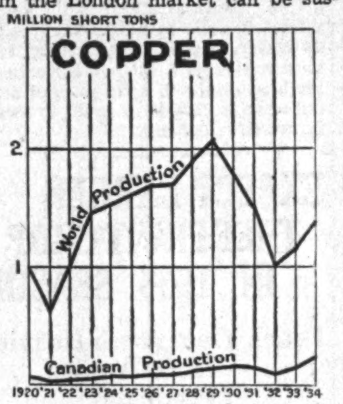
Base metal production in Canada is largely confined to four of the largest mining and metallurgical enterprises in the Dominion—Noranda in Quebec, International Nickel in Ontario, Hudson Bay Mining and Smelting in Manitoba and Consolidated Mining and Smelting in British Columbia—and in each case a marked improvement in profit is expected as a result of the recent rise in price of their products and of increased production.

Since the first of the year there has been almost steady improvement in the base metal situation. During 1934 the price of lead, zinc and copper declined almost continuously. In the current year this trend has been reversed. Prices have climbed steadily and at the present time all three metals are bringing a price in excess of last year's average.

Improvement in base metal prices has been due to a combination of factors. The statistical position of lead, zinc and copper is much better than a year ago. Demand has outstripped production with the result that there has been a reduction in supplies. Stocks of lead and zinc are down to normal. Restriction of output by world producers has materially improved the position of copper.

Base Metal Prices

Although base metal prices, except in the case of lead, were lower during the first half of 1935 than in the corresponding period of 1934 a higher average price for the year is indicated. If the prevailing prices in the London market can be sustained throughout the last quarter of the year Canadian base metal producers stand to reap large gains from this higher average.

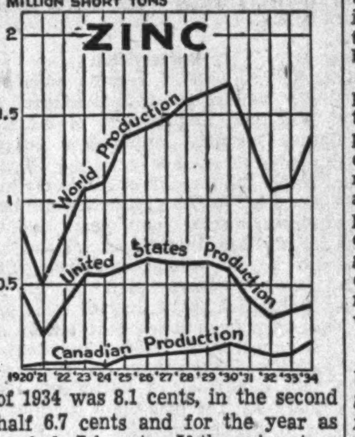


At present there is no reason for believing that the prevailing price level will not be sustained. If industrial demand continues to improve as it should prices should at least remain steady, and might even rise further. The current situation in Europe would indicate that demand for military purposes will also be an important if not a vital factor.

If the price of lead remains steady the average price for the year will show an increase of 19 per cent over 1934 when the average price was 2.4 cents per pound. During the first half of 1935 the average price was 2.65 cents as against 2.6 cents in the corresponding period last year. The present price is 3.8 cents per pound. Continuance of this price throughout the last quarter of the year would give an average price for the year of 3.1 cents.

Only a slight increase in the average price of zinc is indicated. The average price in 1934 was 3.05 cents per pound. In the first six months of 1935 the average price was 2.8 cents. This compares with an average of 3.3 cents in the first half of 1934 and 2.7 cents in the second half. An average of 3.1 cents for 1935 is indicated if the price remains at its present level of 3.5 cents through the remaining three months.

The prevailing price of copper is 8.8 cents a pound in Canadian funds. The average price in the first half of 1934 was 8.1 cents, in the second half 6.7 cents and for the year as a whole 7.4 cents. If the price stays at 8.8 cents the average for 1935 will be 7.8 cents.



Production Improves

Improved base metal prices is not the only factor contributing to the higher earnings of the base metal mines. Increased production has also contributed to the rise in revenue. Output of each of the large producers was higher in the first half of the current year than in the corresponding period of 1934. The increase in output, especially of gold and silver which are mined in association with base metals, has helped to ease the effect of the lower prices which prevailed.

Many presumptions of necessity enter into any calculation of 1935 earnings of the base metal producers at this time. To say the least, any estimate can only be considered as approximate. Assuming, however, that there is no major alteration in the present condition of the market, profits of Noranda, International Nickel, Hudson Bay Mining and Smelting and Consolidated Mining and Smelting in 1935 will be higher than in 1934.

Higher Profits for Noranda

In the case of Noranda, large copper-gold producer in Northwestern Quebec, profits in the current year should show an increase of about 20 cents a share. While earnings were lower in the first half of the year than in the same period of 1934 a continuance of profits at this level throughout the last half of the year would mean an increase of nine cents a share. In the second half of 1934 profits were sharply lower from the first six months because of the drop in copper prices, amounting to 77 cents a share as compared with $1.42. In the first six months of 1935, profits were equivalent to $1.14 per share.

In the six months ended June 30 last revenue was approximately the same as in the corresponding period of 1934. Profits were reduced, however by higher operating costs and an increase in taxes.

Profits in the second half of the year should be higher as a result of the rise in the price of copper, which at present is in excess of eight cents a pound. Abolition of the bullion tax will also be a helpful factor. It is impossible to make a definite estimate of what earnings will amount to in the current six-month period. As copper sales are covered by advance contracts there is a lag between an advance in price and increased revenue to the company. Better prices will show more emphatically in the last quarter than in the third quarter. Increased production of copper will also be a factor in the improvement in earnings although this is offset to some extent by higher operating costs.

As was indicated by the 1934 experience, earnings of Noranda fluctuate widely with changes in the price of copper. An increase of a cent a pound in the price of copper means additional revenue to Noranda equivalent to 35 cents a share per annum. Assuming that the average price of copper for 1935 aggregates 7.8 cents per pound the increase in profits from the improvement in the price of copper alone would be 14 cents per share.

International Nickel

International Nickel Co. appears to be making rapid strides toward regaining the earning position which it held in 1929, and this, despite the fact that the price of copper is well below the 1929 level of 18.3 cents a pound. The effect of the drop in price has been offset to some extent by increased production of nickel, copper, platinum metals, gold and silver and by higher prices for the latter two metals.

In 1934 the company had a record year from the standpoint of volume of production. During 1935 output has continued to mount with the result that earnings in the first half of the year amounted to 64 cents a share, an increase of two cents over the first six months of last year. Revenue was $1.3 millions higher but profits failed to show a corresponding rise because of larger provision for taxes and depreciation.

In the six months ending Dec. 31 next the increase in profits should be even more marked as a result of the improvement in the copper market. The reverse situation held in the second half of 1934, profits declining because of lower copper prices. Profits, it is estimated, should be in excess of $1.30 per share as compared with $1.13 per share in 1934.

Being the largest producer of copper in Canada, International Nickel Co. stands to make the largest aggregate gain from any improvement in the copper situation. Every increase of a cent per pound in the price of copper means additional revenue to the company equivalent to 14.7 cents a share. On the basis of the current rate of production an increase of 0.4 cents in the average price for the year would mean a rise of 5.9 cents per share in profits.

Hudson Bay Mining & Smelting

The most successful year in its history is indicated for the Hudson Bay Mining and Smelting Co., Manitoba's important zinc-copper producer. Profits, it is estimated, should be double the 1934 earnings of 58 cents per share. This estimate takes into consideration the increase in the number of shares outstanding through conversion of a number of the bonds in the first half of the year. The only capital liability is now 2,757,973 common shares, all the bonds having been redeemed.

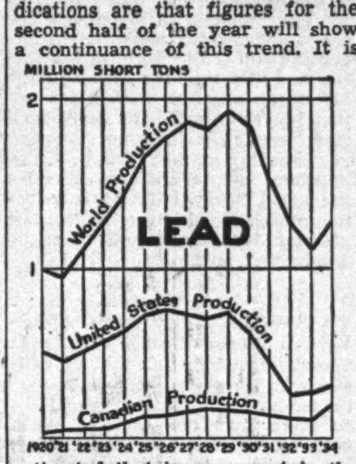
Based upon production figures issued by the Dominion Bureau of Statistics, The Financial Post estimates that the company's revenue in the first half of the year amounted to $5 millions. All metals produced are treated as sold, being covered by a sales contract.

With the prevailing price for zinc and copper considerably above the average for the first six months of the year revenue in the six months ending Dec. 31 next should show marked improvement. It is estimated that revenue for the year will amount to $10.5 millions as compared with $8.5 millions in 1934. Making allowance for increased costs and ample provision for depreciation and other charges profits should amount to about $1.15 per share.

Consolidated Smelters

The most marked increase in point of dollars and cents will be recorded by Consolidated Mining and Smelting Co., Canada's largest producer of lead, zinc and silver. On the basis of output in the first half of the year and the present enhanced value of these metals as compared with 1934 The Financial Post estimates that profits in the current year will be in excess of $6 per share as against $3.39 per share in 1934.

The company's production of lead and zinc, and more especially of silver and gold was higher in the first six months of the year than in the corresponding period of 1934. Indications are that figures for the second half of the year will show a continuance of this trend. It is estimated that improvement in the production of precious metals will alone account for an increase of $1.1 millions in revenue. A larger volume of output and better prices of lead and zinc will also give the company additional revenue in excess of $1 million. Making allowance for increased mining costs due to a change in stope methods, profits should be about $3 per share higher than last year.



In conclusion it should be pointed out that it is rather early to be making predictions, for many uncertain factors enter into the picture. The estimates assume that the improvement in base metal prices will be well sustained for the rest of the year, because in the first half of the year the average prices for lead, zinc and copper were, in the aggregate, down a little from the average price enjoyed in 1934.

SISCOE EXTENSION GETS FRENCH AID NEW CO. FORMED

Work Resumes at Quebec Property — Shares Exchanged

Confirming current rumors, Siscoe Extension Gold Mines reports that negotiations with Paris financiers have been successfully concluded and that the property will be provided with funds to resume operations at the property, adjoining the producing Siscoe Gold Mines, in Abitibi County, Quebec.

E. C. Vidricaire, of Montreal, a member of the Paris syndicate, will be president of Siscoe Extension.

Assets of Stanley Siscoe Extension Gold Mines, which include all its mining properties, have been sold to Siscoe Extension Gold Mines. The consideration was all its authorized capital stock, consisting of 3 million shares of the par value of $1 each, of which one million shares are being set aside for distribution among the shareholders of Stanley Siscoe Extension Gold Mines, on the basis of one share of stock of the new company for each three shares of the old company, thus leaving two million shares available for financing.

Orders have been placed with the Canadian Ingersoll-Rand for an electrically-driven mining plant capable of operating to a depth of over one thousand ft. A contract has been entered into with the Northern Quebec Power Co. for power, and this will be available early in November.

C. O. Stee, manager of Siscoe Gold Mines will act as consulting engineer of this company and operations will be carried on under his direction. Work on the property was started this week in preparing the ground for the installation of the plant and equipment.

Prior to the suspension of operations in March, 1934, a three-compartment shaft was sunk to a depth of 376 ft., a station was cut at the 350-ft. level and approximately 300 ft. of lateral work was done on this level.

Immediately upon the completion of the installation of the plant, underground operations will be resumed.

Erie Gas Ltd.—Shares of this company were removed from trading on the mining section of the Toronto Stock Exchange on Wednesday, Sept. 25.

Sign for Power At Perron Gold

Perron Gold Mines has arranged for power from Canada Northern Power Corp., The Post is informed. Work on construction of a transmission line from the power company's sub-station to the Perron line, in Pascalis and Senneville twps., Quebec, is now under way. The power will serve the new 100-ton mill now under construction and scheduled to be ready for operation early in January, 1936. Excavation for the mill has been completed and machinery purchased.

During August the present mill, a 20-ton pilot machine, was closed down 4½ days in the period August 15 to September 1. Recovery for the period was .726 oz. or $25.41 per ton from 233 tons milled.

Development work indicated widths and grade which are the best in the history of the mine.

Deep Test Well Started in Kakwa By Amalgamated

From Our Own Correspondent

WINNIPEG.—Amalgamated Oils Ltd. has commenced a deep test well for oil or gas at Kakwa. The hole is spudded in and commences with a 12 inch diameter. This well will be taken to a depth of 1,000 ft. if necessary. It follows the drilling of six shallower wells in three of which a considerable volume of gas was contained. The deep well now being bored is west of the test wells and is designed to give further information regarding the structure generally.

The Senator Oil and Gas Development Company, of Ottawa, are preparing to drill a second well at Hudson Bay Junction this fall, the work for both companies being done by Petroleum Gas and Engineering Company Limited. A. M. Lauder, Ottawa, a director of the Senator Oil and Gas, is on his way to Hudson Bay Junction and will spend some time there giving his personal supervision to the work. The company is also considering opening an office in Winnipeg to facilitate the handling of routine matters.

BRALORNE FUTURE LOOKING BRIGHTER SAYS JORALEMON

Predicts Dividends to Be Resumed in Six Months

Since Bralorne absorbed the adjoining Bradium Mines, encouraging progress is being made at this Bridge River, B. C. producer, judging from a report of Ira B. Joralemon, a summary of which was recently made public.

"The future of the mine looks brighter than it has for a long time," Mr. Joralemon states. "It seems reasonably certain that a few months additional intensive development will ensure steady dividends for many years to come. The last few months have shown, however, that there will be lean periods. It is essential to have sufficient cash surplus and ore reserves to carry on operations and dividends over the less prosperous times. In order to be safe there should be half a million tons of indicated ore and $1 million in the treasury before dividends are resumed. From present indications, this goal will be reached within six months."

Lean Period Over?

Mr. Joralemon further states that the period of low grade ore and disappointing development, which lasted for nearly a year, seems to be definitely over.

Ore reserves have remained about constant in the last three months. The engineer points out that no real estimates can be made inasmuch as the Empire ore, 50 tons of which are treated daily at the Bralorne mill, has been developed on only one level. Within three months the Ida May vein will be cut on the lower levels. There should then be a rapid increase in ore reserves, Mr. Joralemon states.

Recent development indicates that the average grade of ore milled for the last year will be brought up to .35 ounces which was estimated for the ore reserves earlier in the year. The new twelfth level of the King vein is showing up better than the eleventh, and it is hoped that rich ore bodies will recur. Empire mine development has been encouraging, although most of the ore is comparatively narrow.

Split Lake Gold Mines — At Split Lake in the Kenora district has revealed through surface work on the Tyrrell discovery two zones which occur close together and drilling is being considered for structural information.

Each Man to Get Over Ton of Food

From Our Own Correspondent

REGINA. — Murmac - Lake Athabaska Mining Co. has ordered 30 tons of food, $2,000 worth of gasoline and diamond drills to be shipped to the mine property at Goldfields on Lake Athabaska, before freeze-up.

This property is north-west of the Consolidated Mining and Smelting Co.'s two-shaft development work on the original Beaverlodge discovery. Twenty-five men are employed by Murmac.

Two series of stringers have been found, the one running in the same direction as on the C. M. & S. property on Murmac.

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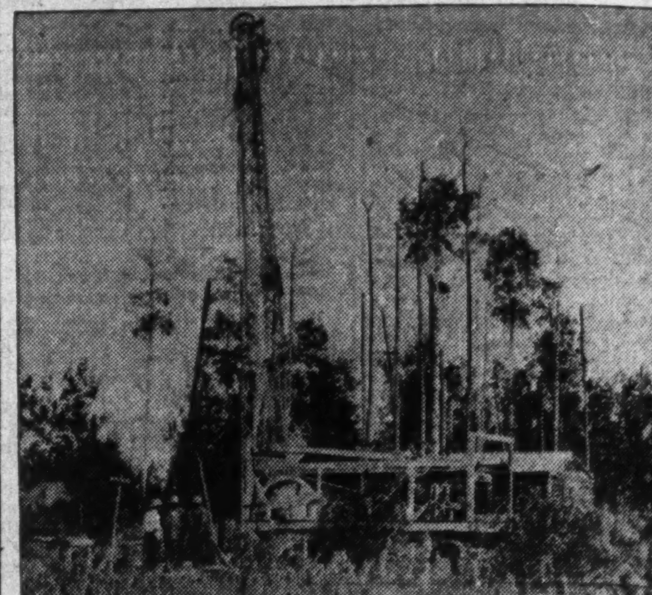
Seek Oil in Far North



Much attention has been attracted in recent months to the Kakwa oil field near Hudson Bay Jct. in Saskatchewan's far north. Considerable drilling has been carried on, chiefly by two companies, Amalgamated Oils and Senator Oil and Gas Development Co. Above is shown a rapid well driller at work for Amalgamated Oils which has just commenced a deep test well for oil or gas. This new well will be taken down to 1,000 ft. if necessary, and follows the drilling of six shallower wells, in three of which a large volume of gas was obtained.

TORONTO EXCHANGE LISTS HARD ROCK

Shaft at Little Long Lac Property at Depth of 349 Feet

Shares of Hard Rock Gold Mines were called for trading on the mining section of the Toronto Stock Exchange on Oct. 1, sales ranging from a low of 43 to 49 cents a share.

Hard Rock Mines is one of the most active companies engaged in developing a property in the Little Long Lac area. At present the company is engaged in sinking a shaft to a depth of 500 ft. As at Sept. 15 this shaft was down to a depth of 349 ft. Up to that date development work had consisted of 1,642 ft. of drifting, 3,000 cu. ft. of slashing, 737 ft. of crosscutting, 349 ft. of shaft sinking, 7,572 cu. ft. of station cutting, 1,500 cu. ft. of sumping and 1,481 ft. of diamond drilling.

Of an authorized capitalization of 2,500,000 shares, par $1 each, there were outstanding as at Sept. 15, 2,000,005 shares. Of this amount one million shares were issued to Hard Rock Gold Syndicate for properties.

Officers and directors of the company are as follows: Thomas H. Rea, Toronto, president; Joseph Errington, Toronto, vice-president; W. S. Walton, Toronto, secretary-treasurer; Alex. B. Gordon and Hugh R. Aird, Toronto; J. C. Dumbrille, manager.

For details of financial position see under mining reports, page 23.

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Sorting the Mines, 5.

An Impartial Analysis of Listed Stocks from A to Z

This is the fifth in a series of articles attempting to examine, at close range, the various stocks, listed day by day, on the mining sections of various Canadian exchanges.

These little close-ups do not pretend to be exhaustive analyses of the companies dealt with. They are aimed, however, at giving Post readers a rapid fire inventory of the market today. Each stock will be dealt with, in alphabetical order at the rate of three or four a week as space permits.

Base Metals Corp.

This is one of the many companies scattered throughout Canada whose future is closely allied with the future of lead, zinc and silver prices. With the exception of silver, which has declined in price since the high average monthly price of 74.1 cents per ounce was reached in May, 1935, base metal prices have improved immensely in latter months. The factors bearing on the base metal situation have been discussed at some length in previous issues of The Post. In brief, the outlook, based on world stocks, and present and potential demand, is brighter for this large section of Canada's mineral list than for many months past.

Base Metal shares have been far from steady in the past, fluctuating as the outlook for base metals brightened and dimmed. This fluctuation is of course, no reflection on the management, which is practically the same as the management of Mining Corporation. Mining Corp. owns a controlling interest in Base Metals, and brings its experience to bear on this company's affairs.

After intermittent production, Base Metals is at present operating its property near Field, B.C. It is obvious however, that production must depend on zinc, silver, and lead prices, chiefly the latter two. Earnings for the six months ended June 30, 1935, are of little help in evaluating this proposition, inasmuch as the mill was closed from Feb. 16 to June 25, owing to low prices. During the time when the mill was running, however, the company, in this period, produced metal to the value of $66,596. Operating costs, not including depreciation, depletion and tax reserves during this period amounted to $68,994, leaving an operating loss of $2,398. It should be pointed out that costs during a period of intermittent production are always higher per ton milled than they are when a mill is running regularly.

The property has three main ore bodies, namely, the West Monarch, East Monarch, and Kicking Horse ore bodies. As at August, 1933, ore reserves on these various sections were as follows:

Ore body	Tons of ore	Oz. silver per ton	% lead	% zinc
W. Monarch	318,100	2.4	18.0	18.0
E. Monarch	41,500	1.1	6.2	[illegible]
Kicking Horse	75,000	3.0	5.0	15.0
	434,600	2.4	14.6	17.2

Since that time, it is understood that development has more than kept pace with ore reserves.

Based on these figures, which are the latest available, and on the rated mill capacity of 300 tons per day, it will be seen that blocked out ore, of commercial grade (provided that prices remain above the subsistence level) is sufficient to last the mill for slightly over four years.

Early this summer the stock of this company suffered a severe blow when it was announced that development work on the East and West Monarch ore bodies had been unproductive, and that development work would be concentrated on the Kicking Horse area. This statement was interpreted by some most pessimistically, with the result that the stock has been depressed nearly all summer. The ore reserves mentioned above are sufficient indication that the failure of these two sections to produce further ore is by no means a bodyblow to the property, although it was undoubtedly a disappointment.

Base Metals has an authorized capitalization of three million shares, of which about 2.3 million are outstanding. The stock has no par value.

Financially, the company is in fair shape, current assets, as at Dec. 31, 1934, amounting to $156,870, and current liabilities to $16,956.

Price Range of Stock

	High	Low	Last
	1934		
Common	$2.05	$0.50	$0.60 (Dec. 28)
	1935		
Common	$0.94 (April)	$0.26 (Sept.)	$0.30 (Sept. 30)

B. E. A. R.

Shareholders in Bear Exploration and Radium Ltd. have, in the past month or two, had to hang onto their hats.

Fluctuations in this stock have indicated sharp manipulation and give shareholders or prospective shareholders a splendid example of the sort of thing they must expect.

B.E.A.R. stock is one of the most flamboyant stocks on the board, due more to the subsidiary gold companies than to B.E.A.R. itself, which is a would-be silver producer.

This company, with a trick name owns some 5,600 acres in the Echo Bay section of the Great Bear Lake district in the Northwest Territories. Some claims are also held in the Camsell River district. The remaining interest in B.E.A.R. lies in its subsidiary companies, chief of which is Yellowknife Gold Mines, which, in turn, owns stock in the much-publicized Burwash Yellowknife Gold Mines.

So that in order to get a true picture of the worth of B.E.A.R. it is necessary to study its holdings, as well as the actual silver property. At its own property the long-heralded 25-ton concentrator is being installed, ready for production later this fall.

While some of the silver ore at B.E.A.R. is undoubtedly high-grade, officials of the company have not issued any clear-cut estimate of tonnage. Disinterested observers of operations at this far-northerly property incline to the view that ore occurrences are inclined to be spotty and unreliable.

In considering B.E.A.R. as a mining operation, one should take into account the enormous geographical and climatic obstacles which stand in the way of successful development in an area so remote. This company, when the concentrator turns over, will be Canada's farthest north straight silver producer. If silver prices were higher, or even steadier than they are, and if some sort of consistency in the ore bodies could be determined, the outlook for B.E.A.R. as a silver producer would be a great deal rosier than it is.

What of its holdings? Sensational gold discoveries have been reported from the property of Burwash Yellowknife, and it is reported, but not confirmed or denied that W. H. Wright, of Wright-Hargreaves fame, had put $500,000 into the company and that Harry Oakes, of Lakeshore, had put $200,000.

Whether or not these reports are true has little bearing on the position of B.E.A.R., whose shareholders must reap any profits from Burwash Yellowknife third hand. That is, Burwash Yellowknife returns, if any, must go secondly to Yellowknife Gold Mines, and then to B.E.A.R. B.E.A.R. shareholders have, in rough per share figures, three-sixteenths of a share equity in anything which Burwash Yellowknife may find, which is a poor argument for investing in B.E.A.R. direct.

As at Dec. 31, 1934, B.E.A.R. reported supplies valued at $36,000 and cash on hand of $75,000.

Price Range of Stock

	High	Low	Last
	1934		
Common	$0.91	$0.16	$0.19¾ (Dec. 28)
	1935		
Common	$1.06 (July)	$0.14	$0.71¾ (Sept. 30)

Beaver Silver Mines

This company, operating in a small way near Beaverdell, B.C., has never been a commercial success, and at present there appears to be little reason to believe it ever will be, despite the fact that officials are evincing a sincere desire to make a mine.

The company has been making small shipments to the smelter at irregular intervals, but the main reason why the interest in this stock is not keener is the striking absence from any of the company's sales literature of ore estimates. Much of the faith in Beaver Silver in the past has been bolstered by success in the nearby Highland Lass, Bell, and Wellington mines. Anybody with a nodding acquaintance with mining knows what a deceiving lure adjoining properties may be.

Beaver Mines, for the size of the operation, has an onerous financial burden. As at January 31, 1935, the company showed current liabilities of $29,775, with current assets of $4,439. In July of the previous year, the treasury of the company was augmented when Col. Victor Spencer, well known Pacific Coast promoter, purchased 300,000 treasury shares at five cents per share.

Despite this fact, and despite the fact that the company claims to have sufficient finances on hand to bring the property to profitable production, Beaver Silver Mines appears to have no particular attraction as either an investment or speculation. The capitalization at 2.5 million shares, par value 20 cents, does not appear to be unduly low.

Price Range of Stock

	High	Low	Last
	1934		
Common	$0.09¼	$0.03	$0.06¾ (Dec. 28)
	1935		
Common	$0.09¼	$0.03½	$0.04 (Sept. 27)

Mining Reports

Anglo-Huronian

Earnings of Anglo-Huronian Ltd. in the year ended July 31 last were down sharply from the previous year as a result of lower production from the company's Vipond mine and reduced profits from the sale of securities. Net profit for the year was equivalent to 38 cents per share as compared with $1 per share in the previous fiscal period.

Operating revenue was over $200,000 lower at $616,879. Metal recovery amounted to $465,178 as compared with $647,016 in the year ended July 31, 1934. Dividends received increased $3,000. Operating expenses were lower.

$1.2 Millions Profit

In the 1934 fiscal period Anglo-Huronian made a profit of $1.2 millions from the sale of securities, this item constituting the major portion of its earnings. In the year ended July 31 last, profit from this source dropped $768,000, amounting to $453,603.

Despite the distribution of $501,000 in dividends at the end of 1934 the company's liquid position is well maintained, working capital totalling $4.8 millions as against $4.9 millions at July 31, 1934. Liquid assets total $5 millions as against current liabilities of $177,888.

Cash Down $1 Million

Cash is down $1 million from last year while investment in shares of other companies and loans are higher by $841,000. Investments in shares of other companies carried at a cost of $2,959,793 have a market value of $3,205,000. In addition the company has a special investment in shares which are carried at a cost of $129,449, which is less than market value. Secured loans amount to $780,987.

A loss was shown on the operations of the company's Vipond mine at Timmins, Andre Dorfman, president, reports that operations were continuous during the period under review, the mill treating 104,764 tons of ore at an average recoverable average of $4.44 per ton against costs of $4.62 per ton, the net result being a loss of $19,005 for the fiscal year.

Announcement is made in the report that unless results improve in the immediate future operations at the property will have to cease. During the year 3,665 ft. of drifting and crosscutting, 1,537 ft. of raising and 17,484 ft. of diamond drilling failed to disclose any appreciable quantities of new ore.

Income and Surplus Account
Years Ended July 31

	1935 $	1934 $
Revenue:		
Metal recovery, incl. premium	465,178	647,016
Dividends received	84,935	81,640
Foreign ech. profit	......	38,382
It. earned (net)	64,831	64,560
Sundry earnings	1,935	3,128
	616,879	834,726
Expenses:		
Mine oper. exp., incl. development	484,183	521,092
Insurance	......	4,899
Municipal taxes	......	2,115
Gen. admin. & organ. expenses*	†71,562	90,463
Examinations w/o	1,995	1,701
Res. for deprec.	931	10,560
Net profit from oper.	58,208	203,896
Add: Profit from sale of securities	453,603	1,239,315
Less: Res. for taxes	30,558	193,513
Net profit	481,253	1,249,698
Less: Dividends	501,042	......
Surplus for year	‡19,789	1,249,698
Add: Prev. surplu	1,249,698	......
Res. not required	47,985	......
Less: Portion of spec. govt. audit	14,750	......
Organ. exps. w/o	810	......
Balance forward	1,262,334	1,249,698

*After deducting portion charged to mine operations.
†After deduction of $25,062 as portion charged to mine operations and $28,020 as income from management services.
‡Loss or deficit.

Earns. per Share and Divd. Record:		
Common: Earned	$0.38	$1.00
Paid	0.40	nil

Teck-Hughes Gold Mines

As predicted in last week's Financial Post earnings of Teck-Hughes Gold Mines showed improvement in the last quarter of the fiscal year and net profit for the year ended Aug. 31 last amounted to $2.3 millions equivalent to 49 cents a share. This compares with a profit of 63 cents a share in the previous fiscal period.

Reduction in earnings was due to two factors, decreased production and increased taxation in the form of the Dominion bullion tax. Value of production after deduction of bullion tax was $1.1 millions lower than in the 1934 fiscal period, an interim report to shareholders shows. Profits, however, did not show a corresponding decrease, it being unnecessary to make any provision for depreciation since the plant was written down to the nominal value of $1 last year. Provision for depreciation in the year ended Aug. 31, 1934, was $253,006.

Official announcement is made in the report of a further slight reduction in the daily mill tonnage. Since Sept. 1 the new mill has been treating ore at the rate of approximately 1,000 tons per day, while the old mill continues to re-treat impounded tailings at the rate of approximately 250 tons per day.

During the 12-month period the mill recovered 94.47 of the values in the mine ore, according to Dr. D. L. H. Forbes, president, and had a total tailings lost of 0.43 dwt. per ton. Recovery from re-treated tailings was 68.33 per cent.

While ore reserves were slightly higher at the end of August than at the end of May a reduction of almost 80,000 tons is shown from a year ago. Total reserves as at Aug. 31 amounted to 683,709 tons. Of this amount 440,049 tons consists of blocked out ore and 243,660 tons of broken ore.

Details of the year's operations are tabulated below:

Earnings Statement
Years Ended Aug. 31

	1935 $	1934 $
Gross val. of bullion	†4,750,956	5,877,973
Income from invest.	131,670	105,551
Total earnings	4,882,626	5,983,524
Less: Devel., mining & milling exp.	1,872,414	2,222,771
Insur. & taxes, other than bullion	406,572	224,016
Gen. exp., incl. mktg. bullion & assay	210,657	229,881
Exp. on outside prop. & explor.	35,286	24,352
Depreciation		253,006
Est. bal. to surp. acct.	2,356,696	3,029,498
Est. Earns. per Share	$0.49	$0.63

†After deduction of bullion tax in 1934 and bullion tax not offset by 1934 income tax credit in 1935.

Production
Years Ended Aug. 31

	1935	1934
Dry tons of ore treated	383,958	
Dry tons of tailings re-treated	40,290	474,700
Total tonnage milled	424,248	

Deep Level Development
(Summary of Results at August 31)

Level	*Ore devel.	†Ore found	Av. width ft.	Av. grade dwt.
41	1,335	259	8.0	8.75
42	1,343	89	7.4	5.72
43	1,336	452	9.0	7.54
44	1,282	404	9.5	11.71
45	1,332	861	10.0	9.83
46	926	383	7.7	11.46
47	1,163	80	8.1	5.59
48	123	0	0	0
49	24	0	0	0
		2,528	9.0	9.86

*Length in feet along ore zones wholly or partly developed.
†Length in feet of ore found.

Positive Ore Reserves
As at August 31, 1935
Total Reserve

Location between levels	Tons	Aver. graded dwt.	Total dwt.
0-10	5,806	5.89	34,186
10-20	75,507	10.60	800,479
20-30	212,117	8.76	1,858,893
30-40	300,859	7.06	2,122,946
40-50	89,420	8.77	784,619
	683,709	8.19	5,601,123

Note:—The value of 1 dwt. of gold at the present time is approximately $1.75.

Ore Extracted and Treated
Year Ended Aug. 31, 1935

From blocks of levels	Tons	Aver. grade dwt.	Total dwt.
0-10	8,094	5.85	47,373
10-20	8,270	5.68	46,947
20-30	193,840	8.06	1,561,739
30-40	145,390	7.49	1,089,061
40-50	28,364	7.54	213,821
	383,958	7.71	2,956,961
Re-treated tailings	40,290	3.35	134,944
	424,248	7.29	3,093,905

Hard Rock Gold Mines

Hard Rock Gold Mines in a financial statement accompanying its listing application to the Toronto Stock Exchange reports a strong working capital position, current assets at Sept. 15 last exceeding current liabilities by $70,545. Cash on hand amounted to $70,717.

Expenditure from Jan. 6, 1934, to Sept. 15, 1935 totalled $199,203. Of this amount $23,631 was expended on buildings, $49,599 on plant, machinery and equipment and $117,600 on development and exploration.

A detailed statement of income and expenditure is shown below:

Income and Expenditure
Jan. 6, 1934, to Sept. 15, 1935

	$
Income:	
Proceeds of stock sale	269,135
Bank interest	1,137
	270,272
Expenditure:	
Mining properties	2,042
Buildings	23,631
Plant, machinery, equi.	49,599
Exploration and development	117,600
Head office and administration	3,915
Undistributed expense	2,416
Total expense	199,203
Add: Accounts rec.	193
Stores and materials	9,415
Deferred charges	524
	209,335
Less: Accounts payable	9,780
Cash on hand	70,717

Working Capital
As at Sept. 15

	$
Current assets	80,325
Current liabilities	9,780
Working capital	70,545

BULLION RECOVERY AT LAMAQUE GOLD TOTALS $442,736

Recovery of $11.91 Per Ton Indicates Excellent Profits

Satisfactory results from milling operations are being obtained by Lamaque Gold Mines, promising young subsidiary of Teck-Hughes Gold Mines, an interim progress report issued this week indicates. Brought into production on April 9 last with one half of the first 500-ton mill unit the company has produced bullion to the value of $422,736 from 37,173 tons of ore milled. This gives an average recovery of $11.91 per ton. Average millheads have been $12.20 per ton.

Although no information is available as to costs a substantial profit is indicated from a recovery of $11.91 per ton. Indications are that Teck-Hughes will be amply repaid for its investment in Lamaque and that profits from this source will help to offset declining earnings from the company's main operation at Kirkland Lake.

Announcement is made in the report that the first 500-ton unit, one half of which is in operation, is rapidly nearing completion. Installation of the necessary equipment is being pushed as rapidly as possible and it is expected that both mine and mill will be ready to handle 500 tons per day by the end of November, according to Dr. D. L. H. Forbes, president.

One of the most encouraging features of the Lamaque situation is the rapidity with which ore reserves have increased since underground operations commenced. As at Aug. 31 positive ore reserves at 238,547 tons were 61,687 tons higher than at June 1. This means that during the three-month period a total of 85,838 tons of new ore was opened up since mill tonnage for the period was 24,151 tons. The average grade of ore reserves is estimated at $11.57 per ton.

Total shaft sinking to Aug. 31 last amounted to 2,634 ft. No. 6 shaft, which is the incline production shaft, has reached a point 33 ft. below the floor of the 950-ft. level. Stations have been cut at the 825-ft. and 950-ft. levels.

Milling Results

	Period from Apr. 9 to Sept. 1 1935	3 mos. ended Aug. 31 1935
Tons of ore treated	37,173	24,251
Gross returns from bull.	$442,736	$276,227
Tailings loss	$10,645	$6,349
Aver. daily tonnage	260	262
Calculated aver recov. %	97.65	97.77
Calculated aver. grade of ore treated	$12.20	$11.78 6.98 dwt.

Positive Ore Reserves
As at Aug. 31, 1935

	Tons	Av. Grade Dwt.	Total Dwt.
Blocked ore	206,066	6.61	1,362,012
Broken ore	32,481	6.61	215,563
Total positive ore	238,547	6.61	1,577,575

Note:—(1) At June 1, 1935, total positive ore amounted to 176,860 tons. Average grade 6.87 dwt. Total dwt. 1,214,160.

(2) One dwt. of gold at present price for gold is worth approximately $1.75.

Chromium Mining

In its first annual report to shareholders, Chromium Mining & Smelting Co. reports working capital of $43,285 at June 30, 1935. Current assets at that date totalled $46,498 and current liabilities $3,212. The only other liability of the company other than to shareholders is $40,000 under a conditional sale agreement.

The property account shows mining properties and claims valued at $431,709, buildings at $19,582, plant and equipment at $64,212 and patent rights at $1,096. Deferred expenditure of $89,034 consists of $44,462 on mine development, $31,786 on metallurgy and $12,786 on administration.

Of an authorized capitalization of 3,000,000 shares, no par value, 1,387,689 shares have been issued. A total of 112,311 shares remain to be issued under the underwriters' agreement.

During the year, 1,200 tons of high-grade smelting ore were mined or collected from surface outcrops at a cost of about 87 cents per ton, and of this, 750 tons were hauled to Collins by tractor. From this stock pile 400 tons have been furnaced, according to A. R. Globe, president and general manager.

The power house has been placed in readiness for underground production where three high-grade faces are available on the 100-ft. level to produce furnacing ore.

Hudson Patricia Gold Mines—Has completed arrangements for installing a 50-ton mill and expects to have the equipment delivered at Woman Lake before the end of the current month by water route.

Mining Stock Quotations

Week Ending September 30.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 23 (or last)	High for week	Low for week	Close Sept.30
1	.74	.38	Afton	33,875	.60	.65	.57	.62
No	.11	.04	Aldermac	4,430	.05	.05	.04½	.05
1	.02½	.01	Alexandria	4,500	.01	.01½	.01	.01½
No	.57	.40	Algold	500	.40	.40	.40	.40
No	.08½	.02½	Algoma	4,640	.03	.03½	.03	.03
No	4.50	3.70	Anglo-Huronian	482	3.85	3.95	3.80	3.80
No	.04	.01½	Arno	......	.01½	.....	.....	.....
1	1.19	1.10	Arntfield	19,205	.....	1.19	1.10	1.17
1	.32	.06½	Ashley	21,600	.09½	.18	.09½	.14
1	.08	.02½	Astoria Rouyn	7,500	.02½	.03	.02½	.03
1	.14	.03	Bagamac	11,400	.04½	.04½	.04	.04½
1	.08	.02½	Barry Hollinger	173,350	.05½	.08½	.05	.06½
1	.94	.23	Base Metals	48,500	.31	.30½	.26	.26½
1	1.06	.14	B.E.A.R.	59,475	.65	.72	.66	.69
No	2.16	1.27	Beattie Gold	1,500	1.40	1.40	1.35	1.40
1	.75	.30	Big Missouri	23,010	.51	.52	.48	.50
1	.33	.18	Bobjo	24,250	.21½	.23	.21	.21
No	12.50	4.30	Bralorne	2,447	4.50	5.05	4.25	5.00
1	.61	.20	Brazil Gold	3,100	.40	.43½	.38	.43½
1	.03	.01½	Brett Trethewey	2,000	.02	.02	.02	.02
50c.	.24	.07	Bridge River Ex.	3,500	.11	.12	.12	.12
1	.03	.01	Brownlee	3,500	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	800	2.50	2.55	2.45	2.45
No	.03½	.01	Buffalo Can.	......	.01½	.....	.....	.....
5	38.15	32.50	Bulolo Gold	400	33.50	33.00	32.50	33.00
No	.08	.03	Bunker Hill	8,780	.06	.07	.06	.07
1	.03½	.01	Can. Kirkland	22,500	.01½	.01½	.01	.01½
No	.75	.54	Can. Marlartic	8,950	.58	.64½	.57	.59
1	1.50	.95	Cariboo Gold	200	1.05	1.10	1.05	1.10
1	.05½	.02	Cartier Malartic	2,000	.02	.02½	.02½	.02½
1	1.85	.55	Castle Trethewey	8,830	.86	.89	.85	.86
1	.07½	.02½	Cen. Manitoba	4,100	.04½	.04½	.03	.04½
1	1.95	1.12	Cen. Patricia	78,125	1.87	1.95	1.81	1.85
No	.27	.08	Chibougamau Pros.	44,100	.15	.15	.13½	.13½
No	.06½	.03	Church M. & Mill	6,100	.04	.05½	.05	.05½
No	.05	.02	Clericy	55,575	.03½	.03½	.03	.03½
5	3.25	1.50	Coast Copper	40	2.15	2.50	2.15	2.15
1	.08	.01½	Cobalt Contact	3,000	.01½	.01½	.01½	.01½
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.50	Coniagas	814	2.50	2.34	2.00	2.34
No	2.60	1.35	Coniaurum	2,500	1.60	1.60	1.50	1.55
25	184.75	125.50	Cons. Smelters	1,263	170.00	172.50	168.00	170.25
No	44.00	34.50	Dome Mines	880	41.75	41.25	41.00	41.25
1	.10	.03½	Dom. Explorers	875	.04	.05	.03½	.05
1	.17½	.06½	Duparquet	20,100	.09	.09	.08	.08½
1	2.93	1.02	Eldorado	21,650	1.36	1.38	1.26	1.35
No	4.52	3.25	Falconbridge	5,365	4.10	4.15	4.05	4.05
1	.04½	.02	Federal	19,000	.02	.03	.02	.02½
No	.16½	.05	Francoeur Gold	1,000	.07	.07	.07	.07
1	.40	.05	Franklin Gold	15,100	.05	.05½	.05	.05
1	.45	.09	Gabrielle	2,500	.19	.20	.19	.19
No	.03½	.01	Gilbec	102,500	.01½	.01½	.01	.01½
No	2.24	1.24	God's Lake	33,762	1.59	1.58	1.48	1.54
1	.20	.11	Goldale	2,100	.11½	.11½	.11½	.11½
50c.	.46	.25	Gold Belt	1,050	.25	.21	.21	.21
10	.19	.10	Goldfield	......	.13	.....	.....	.....
1	.15	.04	Goodfish	3,700	.07	.09	.08	.08
1	.07	.02	Graham Bosquet	4,000	.02½	.03	.02½	.02½
1	.40	.17	Granada Gold	48,415	.30½	.34½	.30	.30
No	.12	.05½	Grandora	3,000	.05½	.06	.06	.06
1	.45	.17	Greene Stabell	15,420	.20	.20	.18	.18½
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	17,700	.63	.64	.57	.60
1	.08½	.02	Halcrow Swayze	2,500	.02	.02½	.02½	.02½
1	.10	.04	Harker	3,500	.05	.05	.04½	.04½
5	20.25	12.55	Hollinger	6,425	13.00	13.00	12.50	12.70
1	1.10	.65	Howey Gold	8,275	.60	.66	.65	.65
No	19.00	11.50	Hudson Bay	5,034	17.50	19.00	17.15	18.50
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	31.60	22.25	Int. Nickel	18,892	30.00	30.85	30.00	30.40
100	130.15	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.09½	J. M. Cons. Gold	20,350	.10	.12	.09½	.12
1	.75	.45	Kerr Lake	105	.55	.50	.50	.50
1	.31	.20	Kirk. Hud. Bay	......	.25	.....	.....	.....
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.62	.33½	Kirkland Lake	40,520	.39	.43	.37	.41
1	.33½	.12½	Kirk. Townsite	800	.18	.15½	.15	.15
No	.07	.02½	Lake Maron	3,500	.02½	.02½	.02½	.02½
1	58.00	47.25	Lake Shore	790	49.75	50.00	49.40	49.75
1	.08	.02½	Lamaque Contact	500	.03½	.02½	.02½	.02½
1	.13½	.12	Lebel Oro (new)	11,166	.....	.13½	.12	.13
1	.08	.02½	Lee Gold	9,500	.08	.03	.02½	.03
No	7.25	4.25	Little Long Lac	9,395	5.35	5.50	5.15	5.50
1	2.75	1.31	Macassa	53,173	2.41	2.54	2.35	2.48
1	.03	.00½	Malrobic	14,500	.01	.01	.00½	.00½
No	.10	.05½	Mandy	......	.09	.....	.....	.....
No	.12½	.03	Man. & Eastern	3,500	.04½	.05½	.04½	.05½
1	.14	.03	Maple Leaf	30,700	.03½	.03	.02½	.02½
5	46.00	36.25	McIntyre	345	39.50	39.50	37.60	37.60
1	1.45	1.06	McKenzie R.L.	61,950	1.10	1.11	.96	1.00
1	.70	.40	McKinley	12	.40	.40	.40	.40
1	.46½	.07½	McMillan	81,000	.12½	.14	.08½	.09
No	2.15	.45	McWatters	17,900	1.54	1.57	1.42	1.51
1	.40	.10	McVittie	7,300	.14	.15	.14	.14½
No	1.50	.85	Mining Corp.	3,550	1.15	1.15	1.01	1.13
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	4,200	.01½	.01½	.01½	.01½
1	.16	.09	Moneta	3,000	.10	.10	.07½	.08
1	.79	.49	Morris Kirk	10,400	.70	.72	.68	.72
1	.01½	.00½	Murphy	5,000	.00½	.01	.00½	.00½
No	.04	.01½	Newbec	2,000	.02½	.02	.01½	.02
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	3,785	2.17	2.17	2.10	2.15
No	43.00	31.00	Noranda	5,480	39.00	39.50	38.75	39.50
No	.31	.16	Nor. Canada	700	.20	.22½	.19	.22½
1	.75	.30	O'Brien	2,100	.40	.55	.41	.55
1	.10	.04	Osisko	500	.05	.05	.05	.05
1	.32	.18	Parkhill	16,945	.20	.21	.19½	.20
1	.04½	.01	Pawnee Kirk	2,000	.02	.02½	.02½	.02½
1	.30½	.16	Paymaster	17,327	.24	.24½	.23	.23
1	.84	.40	Pend Oreille	6,800	.68	.71	.68	.70
1	.83	.55	Perron Gold	29,000	.60	.62	.58	.60
1	.09½	.01½	Peterson Cobalt	12,000	.03	.03½	.02	.02½
1	3.07	2.10	Pickle Crow	86,153	2.52	3.07	2.50	3.00
1	12.25	9.00	Pioneer Gold B.C.	4,175	9.40	9.60	9.30	9.35
1	.06	.03	Porcupine Crown	14,000	.04½	.04½	.03½	.03½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	6,800	1.59	1.62	1.58	1.60
1	.02½	.01	Preston E. Dome	74,600	.02½	.03½	.02½	.03
No	3.05	1.25	Prospectors Air's	3,100	2.35	2.50	2.15	2.21
1	.80	.09½	Quebec Gold	14,100	.40	.44	.40	.44
No	.15	.02½	Quemont	......	.05	.....	.....	.....
1	.98	.55	Read Authier	6,702	.80	.81	.70	.76
No	.41	.25½	Red Lake	29,000	.26	.29	.27	.28
1	1.67	.75	Reno Gold	16,210	.85	.88	.75	.81½
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	6,500	.01½	.01½	.01½	.01½
1	.09½	.02	Robb Montbray	123,200	.07	.07½	.06	.06
1	.10½	.04½	Roche Long Lac	8,000	.04½	.04½	.04	.04½
1	5.30	2.69	San Antonio	18,406	3.05	3.05	2.69	2.72
50c.	1.25	.54	Sheep Creek	2,500	.80	.74½	.70	.74½
1	1.00	.45	Sherritt Gordon	25,282	.77	.80	.74	.76
1	3.29	2.49	Siscoe	13,635	2.60	2.65	2.60	2.64
1	4.60	3.30	South Amer. Gold	......	3.80	.....	.....	.....
No	.15	.02½	South Tiblemont	122,200	.03½	.03½	.02½	.03
No	.32	.13½	Stadacona	54,550	.23	.22½	.21	.21½
1	.39	.14½	St. Anthony	7,785	.18	.21½	.19	.21
No	1.74	1.25	Sudbury Basin	4,850	1.53	1.65	1.50	1.60
1	.11	.03	Sudbury Contact	3,650	.04	.05	.03	.05
1	.07½	.03	Sudbury Mines	58,300	.04½	.06	.04½	.05½
1	.89	.35	Sullivan Cons.	13,197	.67	.67	.64	.64
1	2.70	2.00	Sylvanite	4,980	2.23	2.29	2.20	2.29
1	.67	.25	Tashota Gold	58,700	.34	.38	.31	.37½
1	4.70	3.67	Teck Hughes	7,690	3.99	3.98	3.90	3.98
1	.02½	.00½	Timiskaming	3,000	.01½	.01½	.01½	.01½
1	1.45	1.00	Toburn Gold	2,080	1.10	1.15	1.05	1.05
1	.30½	.10	Towagmac	600	.12	.12	.12	.12
1	.30	.10	Treadwell	400	.20	.25	.20	.25
No	.01½	.00½	Vacuum Gas	1,000	.00½	.00½	.00½	.00½
No	.32	.02	Vanson Man.	......	.02	.....	.....	.....
No	1.07	.80	Ventures	21,967	1.00	1.03	.97	.99
No	.90	.45	Waite Amulet	1,459	.55	.75	.50	.70
50c.	.24½	.07	Wayside	38,500	.16	.16	.14	.14½
No	.10½	.01½	White Eagle	6,500	.02½	.02	.01½	.02
1	.07	.03	Wiltsey Coughlan	8,000	.03½	.04	.03	.04
1	.07½	.03½	Wood Kirkland	3,000	.06½	.05½	.05½	.05½
No	9.90	7.20	Wright-Hargreaves	4,125	8.00	7.80	7.40	7.60
No	.85	.26	Yankee Girl	5,300	.30	.31	.30	.30
			OIL STOCKS					
No	.26	.17	Acme Gas & Oil	11,600	.18	.18	.17	.17½
1	1.06	.50	Ajax	3,450	.41	.45	.40	.40
No	.85	.49	Calgary & Ed.	5,050	.50	.50	.52	.50
1	.09½	.04	Calmont	4,400	.09½	.04½	.04	.04½
No	.05½	.03	Common Pete	......	.03	.....	.....	.....
No	.38	.18	Dalhousie	1,068	.20	.23	.20	.21
No	.12	.05	East Crest	1,500	.05	.06	.06	.06
No	.21	.04	Erie Gas	8,800	.15	.16½	.13½	.13½
No	.35	.08	Foothills	......	.15	.....	.....	.....
No	.80	.42	Home	550	.50	.47	.42	.42
1	.14	.05	Homestead O. & G.	500	.05½	.05	.05	.05
No	.13½	.07	Lowery	......	.09	.....	.....	.....
No	.27	.14	Merland	1,700	.15	.14	.14	.14
1	.28	.18	Model	1,000	.27	.28	.26	.26
5	.17	.03	Nordon	6,200	.12½	.12	.10½	.12
No	.07	.03½	Oil Selections	22,500	.04½	.04½	.04½	.04½
No	.06½	.02½	Olga Gas & Oil	8,100	.03	.04	.02½	.02½
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	574	18.00	19.00	18.00	18.75
No	.12	.04	South West Pete	......	.04	.....	.....	.....
No	.95	.55	Texas Can	1,500	.85	.84	.80	.82

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 21 (or last)	High for week	Low for week	Close Sept.28
1	.02½	.01½	Alexandria	......	.00½	.....	.....	.....
25c	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.10½	.03½	Beaver Silver	4,000	.04	.04	.03½	.04
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
No	12.25	4.35	Bralorne	1,142	4.50	4.80	4.45	4.85
1	.08½	.03	Bridge River Cons	......	.03½	.....	.....	.....
50c	.24	.07½	Bridge River Exp	10,300	.13	.13	.11	.12
1	.55	.14	B.C. Nickel	75,600	.17	.17	.16	.17
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
1	1.68	.90	B.C. Silver	......	1.25	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	14,600	1.05	1.08	1.05	1.05
No	16.00	12.50	Coast Breweries	540	16.00	15.75	15.00	15.50
1	.54	.17	Congress Gold	6,300	.20	.20	.18	.20
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	......	.00½	.....	.....	.....
No	.95	.15½	Dentonia	54,600	.20	.20	.15½	.18½
No	.06½	.01	Dictator	3,000	.01	.01	.01	.01
1	.17	.03	Dunwell T.	4,000	.03	.03	.03	.03
No	.16½	.01	Fairview Amal	26,300	.08½	.09	.08	.09
50	.44	.25	Fawn Mining	......	.25	.....	.....	.....
1	.13	.05	Federal Gold	......	.06	.....	.....	.....
1	.20	.12	George Copper	......	.20	.....	.....	.....
50c	.07	.03	George Enterprise	4,000	.07	.07	.07	.07
1	.01	.00½	Georgia River	2,000	.00½	.00½	.00½	.00½
50c	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	2,250	.17	.18	.16	.16½
50c	.45½	.20	Gold Belt	1,725	.20	.20	.20	.20
50c	.19	.07	Gold Mountain	200	.08	.09	.09	.09
50c	.04½	.01½	Grandview	......	.02½	.....	.....	.....
No	.24	.01½	Grange Mines	9,000	.02½	.02½	.02½	.02½
1	.10	.04½	Grull Wihksne	9,950	.05	.06½	.05	.06
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal	......	.19	.....	.....	.....
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons	......	.01	.....	.....	.....
No	.12½	.03	Home Gold	2,000	.03	.03½	.03½	.03½
1	.01½	.00½	Independence	5,000	.00½	.00½	.00½	.00½
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	......	.20	.....	.....	.....
50c	1.00	.68	Island Mountain	2,300	.95	.98	.92	.93
50c	.72	.30	Kootenay Belle	1,400	.30	.32	.30	.30
25c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.04½	.01	Lucky Jim	1,000	.01	.01½	.01½	.01½
No	.41	.07	Mak Siccar	700	.09	.10	.09½	.10
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
50c	.17½	.15	Meridian New	800	...	.17½	.15	.15
10c	.10	.03½	Meridian Min	......	.03½	.....	.....	.....
No	.24½	.05½	Minto Mines	22,550	.05½	.07	.05½	.06½
50c	.12½	.03½	Morning Star	6,200	.04	.04	.03½	.04
1	.02	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.06½	.02½	National Silver	6,000	.02½	.02½	.02½	.02½
50c	.17	.05	Nicola	15,700	.09½	.10	.09½	.10
50c	.16	.05	Noble Five	17,500	.05½	.06	.05	.05½
No	.09½	.01½	Pilot Gold	6,500	.01½	.02	.01½	.02
1	12.50	9.10	Pioneer Gold	......	9.60	.....	.....	.....
50c	.15	.05	Porter Idaho	1,100	.05½	.05½	.05	.05
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.05	Quesnel Quartz	......	.06	.....	.....	.....
No	.18	.01	Reeves McDonald	......	.10	.....	.....	.....
1	.39	.25	Relief Arlington	2,600	.35	.35	.32	.32
1	1.62	.80	Reno Gold	34,150	.85	.85	.80	.84
1	.04½	.02	Reward Mining	1,500	.02	.02	.02	.02
1	.01½	.00½	Rufus Argenta	2,000	.01	.00½	.00½	.00½
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	500	.20	.19	.19	.19
50c	.18	.07	Salmon Gold	6,200	.09½	.09½	.08	.08
50c	1.18	.55	Sheep Creek	31,050	.75	.80	.71	.73
1	.05	.02	Silverado	......	.03	.....	.....	.....
25c	.02½	.00½	Silvercrest	3,000	.00½	.00½	.00½	.00½
20c	.12	.01	Silversmith	3,000	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.76	.48	Standard Silver	1,400	.55	.50	.48	.50
10	23.75	11.45	Sunshine	25	19.50	20.00	20.00	20.00
No	.32	.15	Taylor Bridge	2,500	.15½	.16	.16	.16
1	.20½	.10	Taylor Windfall	......	.10	.....	.....	.....
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.03½	.....	.....	.....
No	.61	.13	Vidette Gold	8,050	.29	.30	.27	.30
No	.06	.00½	Viking Gold	3,000	.01	.00½	.00½	.00½
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c	.01½	.00½	Waverley Tangier	......	.00½	.....	.....	.....
50c	.21	.07½	Wayside	7,000	.15	.15	.14	.14½
20c	.04	.01	Wellington	......	.01½	.....	.....	.....
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	2,000	.05½	.05½	.05½	.05½
No	.83	.23	Ymir Yankee Girl	1,000	.30	.29	.29	.29
			OIL STOCKS					
1	.22	.05	Amalgamated	8,000	.07	.06½	.05	.05
1	.10½	.05	Alta. Pacific	500	.06	.05½	.05½	.05½
1	.04	.01	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	......	.00½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.03	.....	.....	.....
1	.25	.05	Crow's Nest	6,500	.06½	.07½	.06½	.06½
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04	Freehold	......	.05	.....	.....	.....
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	9,100	.12	.14	.10½	.12
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	9,000	.11	.12½	.11	.11½
No	.05	.02	McD. Segur Ex.	......	.02½	.....	.....	.....
1	.48	.35	McLeod	......	.38	.....	.....	.....
No	.14½	.09	Mercury	7,150	.11	.11½	.10½	.11
No	.14	.07	Mill City Pete	......	.08	.....	.....	.....
No	.06½	.03½	Okalta	......	.04	.....	.....	.....
No	.10½	.02	Pacalta Oil	......	.02	.....	.....	.....
1	1.17	.27	Ranchmen's	1,000	.28	.28	.27	.28
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	200	.18	.19	.18	.19
No	.10	.03½	United	4,000	.04½	.04½	.03½	.03½
No	.14	.04	Vanalta	1,800	.04	.04	.04	.04
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield
Acme Gas	2c.	.....
Anglo Huronian†	40c.	.....
Buff. Ankerite	20c.	8.16
Bulolo Gold‡	1.20	.....
Calgary & Ed.	5c.	.....
Coast Brew.	02c.	5.93
Coniagas‡	12½c.	.....
Cons. Smelters	$1.25	.....
Dome Mines	$2	4.96
Falconbridge	7½c.	.....
Hollinger	65c +5c.	5.51
Howe Sound	$3	.....
Howey Gold	3c.	.....
Hudson Bay†	50c.	.....
Int. Coal & Coke	1c.	.....
Inter. Mining	15c.	.....
Int. Nickel c.	80c.	.....
Kirk. Lake†	3c.	.....
Lake Shore	2+50c.	5.02
Macassa	5c.	.....
McIntyre	$2	5.3
McKinley Sec.	2½c.	2
Model Oils	3c.	.....
Nipissing	12½c.	.....
Noranda	$1	.....
Nor. Canada†	2c.	.....
Petrol Oil‡	3c.	.....
Premier	12c.	7.5.
Pioneer, B.C.	80c.	8.30
Reno	12+2c.	17.12
Royalite	75c.	9
San Antonio	7c.	.....
Siscoe	20c.	7.5.
So. Amer. Gold	10c.	.....
Sunshine	30c.	.....
Sylvanite	20c.	8.73
Teck Hughes	40c.	10.05
Toburn	8c.	7.61
Wright-Har	40+5c.	5.92

†Interim. ‡Initial

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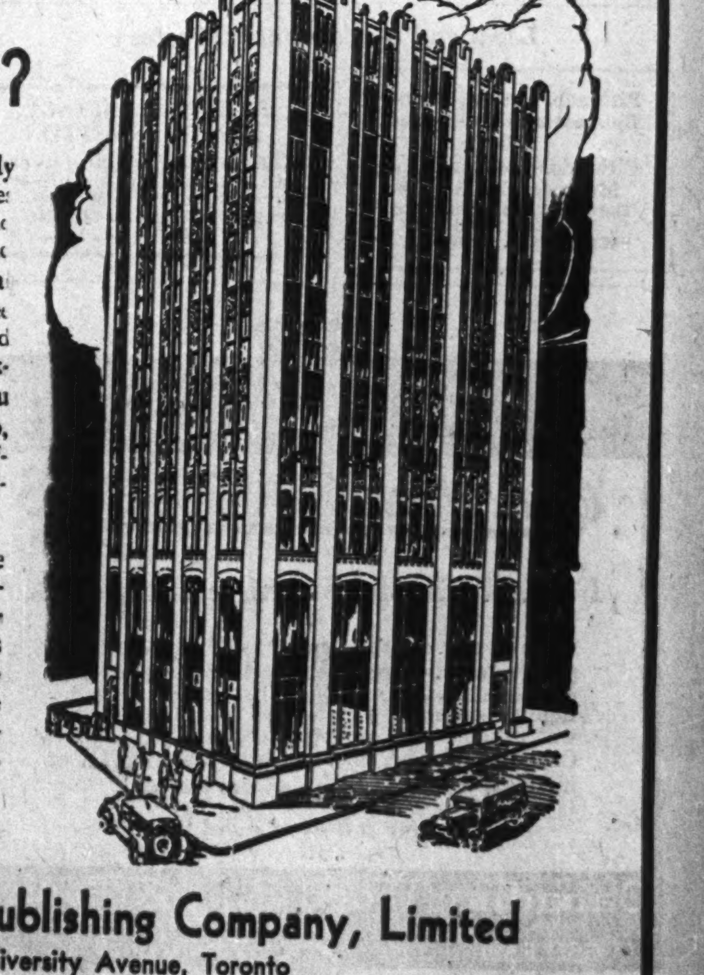

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VANSON TO SELL ALL EQUIPMENT TO GOLD LAKE

Will Get 125,000 Shares in New Rice Lake Company

Vanson Manitoba Gold Mines, whose operation in the Rice Lake District of Manitoba was one of the big disappointments of the field, has now arranged to sell machinery and equipment to Gold Lake Mines Ltd. for 125,000 shares of the company's treasury stock, The Post learns. Simultaneously Vanson Manitoba stock was delisted from the mining section of the Toronto Stock Exchange.

The Vanson Manitoba property, which is about four miles northeast of San Antonio, was recently the subject of a report by John A. Reid, Toronto, consulting geologist who supported the view of the company's engineer, H. V. Echols, to the effect that further work should be discontinued. In his report Mr. Reid states that work completed was efficiently done and that there was an honest and determined effort by directors to find a mine. While underground work gave encouraging results, later work on the ore shoot disclosed that these did not extend to any length that would make them of commercial value.

Gold Lake Mines property is situated about two miles south of San Antonio Mines. Diamond drilling at present is being carried on under the direction of Percy E. Hopkins. The company has a capitalization of 3 million shares, no par value, of which about 1.4 millions are outstanding. F. M. Norris, secretary of Vanson Manitoba Gold Mines, reports that Gold Lake Mines Ltd. is understood to be adequately financed to carry out their immediate programme.

In the balance sheet issued as at Aug. 31, 1935, Vanson Manitoba shows cash in the bank and on hand of $5,900. Accounts receivable total $513. No liabilities are shown, other than stock outstanding, amounting to 1,587,341 shares of a 2.5 million share authorized capitalization.

Quebec Gold Mining Corp. Lists More Stock on Curb

MONTREAL.—Quebec Gold Mining Corp. has listed an additional 150,000 shares on the Montreal Curb Market.

Quebec Gold is a holding and development company, incorporated in 1933. Its activities are principally confined to Quebec, where it owns a number of claims.

Capitalization of the company consists of four million shares of $1 par value, of which, including the present issue, 2,500,000 shares are outstanding.

"Ike" Waite

New President of Mining Corp. Still Bears Evidence of Youthful Schoolboy Blunder—Wide Experience

By WILFRID SANDERS

In the public school at Port Hope, Ontario, somewhere about the year 1900, a small boy was slyly reading Scott's Ivanhoe under cover of his desk. A history lesson was supposed to be under way, but this youngster found the heroic single combats of Ivanhoe vastly more absorbing than Messrs. Montcalm and Wolfe's disagreement over ownership of Canada.

Noticing the untoward concentration, and vaguely guessing the cause, the teacher hurled a question at the small boy; "Who captured Quebec at the battle of the Plains of Abraham, Waite?"

Young Waite started, tried vainly to jam the copy of Ivanhoe in his desk, stood up, and thought hard. His head was still full of the characters in Ivanhoe, and he had caught only the last part of the teacher's question. Probably the thought sequence which ran through the youngster's head in that brief second was "Abraham—Jews—There's a Jew in Ivanhoe."

Hence came the amazing answer; "Isaac of York."

That retort obtained for J. H. C. Waite a clip on the ear, which he has never forgotten, and a nickname which has never forgotten him.

Gets Important Post

Today this man is probably better known to Canadians than the character from whom he got his name. Recently he was appointed to one of the most important and responsible mining jobs in the Dominion; president of Mining Corporation of Canada, far flung holding and exploration company. In this post he succeeds the retiring J. P. Watson.

To this job, Mr. Waite brings an unusual wealth of experience in mining in all parts of Canada, and in most of the major mining areas in this hemisphere. For years he prospected on his own account across Canada, having been at one time closely associated with Fred M. Connell. He has spent some time in South America, and in the western United States, in addition to every mining province in this Dominion. To an exploration and holding concern like Mining Corporation, such experience is invaluable.

The Youth of Mining

Ike Waite was born 47 years ago, on October 17, at Port Hope. The orchards of the homestead, still in the family, are well known to agricultural men. But young Waite had no particular hankering to be a farmer, and early in life determined to follow one of the professions.

It was not until after he had finished with Port Hope public and high schools, and was ready to enter university, that Waite decided upon the engineering profession.

That would be about the year 1907, when Ontario was just entering her career as Canada's richest mineral province, and glimpses of the wealth lying in northern rocks must have made a strong appeal to a youth wi[illegible]gination as keen

J. H. C. WAITE

as young Waite's. Cobalt was only three years old, and the fabulous wealth in silver which "the best old camp" has since poured forth, was just beginning. Mining was the topic of the day, and it is not surprising that young "Ike" should catch this spirit and register at the School of Practical Science, University of Toronto.

Starts From Scratch

The adventurous appeal of an engineer's life in those days, as perhaps now, was not very far removed from the adventurous appeal of heroes like Ivanhoe.

In 1912, "Ike" Waite found himself with a B.Sc., absolutely no influence, in the modern sense of the word, and little or no cash.

"I nearly starved looking for a job" stated now an older Waite recently from his comfortable office in Toronto. Finally, however, he managed to get a job as assayer at the old Drummond Mine. Later he was employed by the Temiskaming Sampling Works.

This sort of work was hardly exciting enough for the young admirer of Ivanhoe, and it was only to be expected that sooner or later he should shoulder his packsack and start out to find his own gold mine.

In the course of the next decade, Ike Waite travelled far; to the equator and beyond. He rapidly acquired for himself a continent-wide reputation as an engineer and business man. His name is attached to several companies whose property he staked and developed. His prospectors are still to be found in the newer districts of Canada, the most recent being the Hebecourt area, near the Ontario boundary in Quebec.

In the meantime, Mr. Waite has been increasingly absorbed in his own rapidly growing private consulting practice. Despite the fact that being head of a company like Mining Corporation would be considered by the ordinary man a full-time job. Mr. Waite maintains two offices, his own, and that of the president of Mining Corporation.

If Mining Corp.'s new president were not so obviously good natured, and generally popular, the word "shrewd" might fit him. But there are lots of shrewd men in the Canadian mining industry, and somehow Ike Waite doesn't quite seem to fit into that class. You seldom find the so-called shrewd man universally liked, universally welcomed, and universally respected. The word shrewd implies cunning, which isn't included in Ike Waite's make-up.

After office hours, Mining Corp.'s new head can usually be found at his home in Brampton, known as Rowanwood. He is a member of the Engineer's Club in both Toronto and Montreal. He also belongs to the National Club in Toronto, and to the British Empire Club, of London, England.

English and U. S. Funds For Nipigon Property

Embodying English and United States capital, an operating company may soon be formed to operate the Conglomerate Lake property of Nipigon Gold Syndicate, The Financial Post learns.

This property, east of Lake Nipigon in Northern Ontario, comprises the Sullivan-Magner gold discovery claims and the Blanchard-Wright holdings. Syndicate trustees report that work to date has exposed a mineralized zone for 900 ft. yielding channel assays from $4 to $24.50 across ten feet.

On the arrival of Patrick J. Foley from London, England, shortly, a meeting will be held in New York to discuss, with United States group, further development.

Gabrielle Shareholders May Receive One for 13

Further details of the proposed merger between Gabrielle Mines and San Antonio Mines, reported exclusively in a recent issue of The Financial Post, were forthcoming last week.

It was officially announced that Gabrielle shareholders, if they approve the merger at the special meeting Oct. 10, will receive one share of San Antonio for each 13 shares of Gabrielle held. Fractions of shares may be bought at $4.94 per share. No shares will be distributed to shareholders until after a period of three months from the date of the meeting. Gabrielle will then, under this proposal, surrender its charter, and distribute its remaining assets to shareholders.

Harwood Lake Mines Plans to Deepen Shaft

No. 1 shaft at Harwood Lake Mines in the West River district of Sudbury division will be driven from its present depth of 61 ft. to the 150-ft. level in order to ascertain the continuity of its ore body, The Post is informed officially. This ore body, known as Blue Quartz vein has been exposed and trenched for over 100 ft. and shows average width of 5 ft. Channel assays taken from this vein to date average $30.91 to the ton at $35 gold.

No. 2 shaft on the white quartz vein is now down to 26 ft., the vein having been trenched and exposed for 125 ft. with average width of 8 ft. Channel assays from this vein have averaged $15 to the ton. Shafts No. 3 and 4 are down 11 ft. and 31 ft. respectively.

THINK FIRST GOLD FROM OBA FIELD SOON COMING UP

Big Operators Giving Area Once Over—Shenango's Plans

From Our Own Correspondent

HAWK JUNCTION, Ont.—A new section of "the Algoma Central country" is scheduled to take its place among Ontario gold producing fields within a short time, if present plans of Shenango Gold Mines are brought to fruition. Though output initially will be on a small scale, it will represent the first bullion effort for the Oba field, located in that vast stretch of northwestern Ontario served by the Algoma Central Railway, and near the junction of that railway with the main line of the Canadian National Railways.

Syndicate Outgrowth

Shenango Gold Mines is the outgrowth of a syndicate originally formed to prospect in the then-booming Swayze area to the east, and called Swayze Lake Shore Gold Syndicate. Subsequently the syndicate became attracted to a discovery by "Bill" Robillard in Shenango township east of Oba on the C.N.R., and the status of the organization was enlarged to company form as Shenango Gold Mines, Ltd. Later, the results did not warrant a continuance of effort on these claims, so Shenango shifted its interest to the Oba field.

Four Claims

There are four claims in the group now under exploration and it is proposed to install a 25-ton concentrator without delay. The Shenango showing is located in a body of rhyolite tuff with quartz, showing sulphides and some free gold. Early mill feed will come from surface open cut, with the concentrates to be shipped to recover any gold not retained by the amalgamation on the ground. While sufficient sampling has not as yet been carried out to enable a precise estimate of values to be expected, official thought tends toward an average grade of around $10 to $12 per ton.

Interest Intermittent

The Oba gold field has attracted intermittent interest over a considerable period of years, and during the last year has seen the probable peak in interest, with operations under way by Hollinger Consolidated, McIntyre - Porcupine, the Hawkins Mining Syndicate, the Glick Mining Syndicate, Joseph Errington interests and others. The early discoveries were in narrow quartz veins and stringers, showing in many cases quite exceptional free gold content. Due to restrictions on performance of assessment duties, because the area was located within a Provincial Forest Reserve, the Oba field did not get the amount of work that would ordinarily have been done in an area showing as much promise of gold deposition as this section did. More recently, with the removal of these restrictions, restaking of old claims and taking up of new has greatly extended the active area, and also caused a considerable acceleration in exploration work. At the present time, stakings are spread over several townships, including Hawkins, Walls, Derry and Lizar and others.

WILL START WORK ON PAMOUR'S MILL EARLY IN SPRING

La Palme Calls Meeting to Discuss Share Distribution

Shareholders of La Palme Porcupine Mines have been summoned to a special meeting in the King Edward Hotel, Toronto, on Oct. 7 at 2 p.m. to ratify the by-law having to do with distribution of Pamour Porcupine Mine stock received by La Palme for its property in the Porcupine camp.

Readers of The Post will recall that when La Palme merged with Three Nations Mines last year, La Palme received a total of 470,000 Pamour shares. La Palme then auctioned 220,000 of the shares to Quebec Gold Mining Corp. for $55,000 or at 25 cents per share. This stock is now quoted on the unlisted section at around $2 per share. The remaining 250,000 Pamour shares will now, under the by-law to be discussed at the forthcoming meeting, be distributed to shareholders of La Palme on a basis of one Pamour for each 8.6 shares in La Palme.

All cash on hand after La Palme has received the last payment under the option to Quebec Gold Mining Corp. which, The Financial Post is officially informed, has all been taken up, will be distributed rateably among shareholders. It is estimated that after all expenses are provided for, this distribution will amount to at least 3½ cents per share in cash on the La Palme shares.

In the meantime, The Financial Post is informed by an official of La Palme, Pamour has definite plans under way for a mill, work on which will not start until spring. The minimum tonnage officially will be 500 per day.

Hard Rock Gold Mines — The managing committee of the Toronto Stock Exchange has approved the listing application of Hard Rock Gold Mines, and shares of the company will be called for trading on the mining section on Tuesday, October 1. The listing application shows that of an authorized capitalization of 2,500,000 shares of $1 par, 2,005,000 shares are outstanding. The transfer agent and registrar is the Chartered Trust & Executor Co., Toronto.

Promoters Fined Total $35,000 In Two B. C. Cases

From Our Own Correspondent

VANCOUVER.—Successful prosecution of Wayside and Nicola mine promoters under the British Columbia Securities Act is expected to have an important effect in educating the investing public to the danger of buying stocks without adequate preliminary investigation. The fines meted out totalled $35,000, Clifton Corporation of New York taking responsibility and pleading guilty in connection with manipulation of Nicola Mines and Metals stock.

Large blocks of stock in Nicola were made available to the New York promoters during the early stage of exploitation at 10 to 16 cents, and by pressure methods the price was boosted as high as $1.40. Many sales were made at high prices in Eastern Canada until the campaign was halted by the Ontario Securities Commissioner.

Both Wayside and Nicola companies have been subject to investigation since then and are now operating on an entirely different basis, with a prospect of becoming profitable properties, but those who bought the stock at high prices are still out of pocket by a large amount.

THOMP. CADILLAC PROVES MAIN VEIN TO 300-FT. DEPTH

May Resume Milling at 100 Tons Daily, Earle States

A little less than a year after the predecessor company entered bankruptcy with disconcerting suddenness, Thompson Cadillac Mining Corp. has cheering news for shareholders, as the result of work done on the 300-ft. level.

From this and former work, Andrew Walz, the company's vice-president and managing director, estimates that a total of about 30,000 tons of ore is indicated. He reports that the ore shoot exposed on surface has been intersected on the 150-ft. and 300-ft. level. On the 150-ft. level, this, the main ore body in the mine, has been exposed for a length of 250 ft., averaging $12.60 over a width of 4.2 ft. Latest advices from the property state that on the 300-ft. level the face averages $44.63 over a width of 4.3 ft.

In the course of opening up the workings, present operators have not yet reached the 600-ft. level, where former operators reported good intersections of commercial ore.

Although Mr. Walz states that the mine could now be put on a production basis of 50 tons per day, A. P. Earle, president of the company, states in a letter to shareholders that directors prefer to wait until the ore reserves warrant production on a 100-ton-per-day basis. In order to raise funds for further development and to make minor adjustments to the mill, shareholders are being offered rights to subscribe for treasury stock at 20 cents per share. No commissions of any kind will be paid from this money, which will go directly into the treasury. The rights expire Oct. 20.

Since the bankruptcy of Thompson Cadillac Mines Ltd. early last November, and the subsequent reorganization, funds for development have been provided through a syndicate, members of which received stock in the new company, Thompson Cadillac Mining Corp., at ten cents per share.

MEETING RATIFIES WYLIE-DOMINION'S NEWEST SET-UP

Shares Will be Exchanged on Even Basis — Debts Paid

From Our Own Correspondent

WINNIPEG. — Shareholders of Wylie-Dominion Gold Mines, meeting in Winnipeg recently ratified the arrangement, details of which were reported in a previous issue of The Post whereby a new company will be formed, and new funds made available for development of the property, northwest of The Pas.

The property has already had a considerable amount of money expended on it with a shaft down to the 125-ft. level and 315 ft. of lateral work on this level.

Under the new arrangement the new company will have the same capitalization as the old one—3 million shares for distribution on a share for share basis, subject to suitable escrow provisions.

Binding the agreement between C. S. Parsons, mining engineer representing substantial Winnipeg financial interests and the directors of the company, is the sum of $20,000 which is to be used to liquidate all liabilities outstanding against Wylie-Dominion and the excess, if any is to go into the development of the property.

There is further a firm commitment whereby the new financial interests will take up stock at the rate of $6,000 monthly for a period of six months while further clauses permit the taking up of shares at the same rate for an additional six months and then a period of four months. In connection with the final four months option a block of 500,000 shares must be taken up at a price of $250,000, this sum to provide for the installation of electrical power and a milling unit.

Montreal Curb Lists Interstate Royalty Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market announces the listing of the following additional shares: 400 additional Class "A" and 1,639 additional Class "B" shares of Interstate Royalty Corp., both of no par value.

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The BACHELOR'S CORNER

Four of us went duck shooting
It's funny how a good cigar tops off all kinds of pleasant experiences. Sometimes, after I've had something unusual and enjoyable happen to me, it seems as though I need the friendly fragrance of a Bachelor to sort of tie in the new adventure to my own life.
Take last week, for example. Four of us went duck shooting. Up early in the morning, the air crisp and cool, a nip in the wind and a lively ripple on the grey water. Standing motionless in the hide, waiting, with the breeze on your face, before sun-up. Plodding back to camp with a good bag, the new sun over your shoulder, to be greeted by blue wood smoke and the welcome sound of sizzling bacon. So far away from the everyday that the traffic's racket seems like something you've read about and forgotten!
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